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Japan

Commentary on U.S. Balanced Budget Amendment

952A0338A Tokyo MAINICHI SHIMBUN in Japanese 31 Jan 95 p 9

[Article by Washington correspondent Michio Shiota: "Zero Prospect for Meeting Balanced Budget Amendment Goal"]

[FBIS Translated Text] **Compliance With U.S. House-Passed Balanced Budget Amendment Will Require Resort to Off-Budget Spending**

The balanced budget constitutional amendment passed by the regular session of the House of Representatives last week represents the imposition on itself of a federal fiscal zero deficit requirement, but how that goal will be achieved is completely unknown. The constitutional amendment will become effective if two-thirds of the Senate vote in favor of the change and it is ratified by three-fourths (38) of the states.

The amendment stipulates exceptions in the way of war or a major and serious military threat, and requires that fiscal deficits be eliminated by fiscal year 2002 or within two years of ratification of the amendment, whichever is later. It also requires that any deficit budget will require approval in the form of a three-fifth majority vote in both houses.

According to the Congressional Budget Office, bringing the fiscal deficit down to zero by 2002 will require the offsetting of a $1.2 trillion gap between revenues and expenditures. Inevitable will be tax increases and cuts in old-age Medicare benefits.

However, in the face of the 1996 elections, Congress and the administration have decided in favor of an income tax cut which will cause deficits, but they are hesitant about other necessary actions. The House of Representatives has passed a resolution calling for exclusion of social security from fiscal cuts, and President Clinton in his State of the Union Address shackled himself by saying, "Education, military pensions, social security, and Medicare will be treated as sacred areas." The only remaining possibilities for spending cuts fall in the category of legerdemain.

If many items are placed in the expenditures not covered in the budget category, a balanced budget will be achieved in the way of appearance. Even in the Japanese fiscal situation there is the case where hidden debts are excluded from the general account category. U.S. politicians use a similar ultimate escape hatch.

Mitsubishi Offers Missile for F-15 Fighters

OW0902053695 Tokyo NIKKAN KOGYO SHIMBUN in Japanese 8 Feb 95 p 1

[FBIS Translated Text] It has been learned that Mitsubishi Electric Corporation (president, Takashi Kitaoka) proposed to the Defense Agency [DA] on 7 February the future use of the air-to-air missile it is presently developing, the "XAAM-4," on the DA's main fighter plane, F-15 (U.S.-made).

The DA is currently in the process of considering the remodelling of the F-15 to improve its performance. Cooperation between Japan and the United States to look into possibilities in upgrading the F-15's performance is also provided for in the "Regular Japan-U.S. Equipment and Technology Conference." It is believed that full-fledged discussions on upgrading the F-15 will begin in April.

Mitsubishi probably made its missile proposal in anticipation of such discussions. Likewise, U.S. companies, including Hughes and Raytheon, are also expected to lobby for the use of their existing missiles for the F-15 remodelling project. The DA's decision on this will be worth noting.

The DA began the procurement of F-15's in fiscal 1980. It has decided to study remodelling the F-15 because developing a new replacement model will be very costly, yet to deploy the F-15 for another 10 years will require the replacement of its outdated equipment with modern ones. In addition to the use of more advanced missiles, other ideas under consideration for the upgrade are the inclusion of new electronic devices and work to help the fighter elude radar more easily, in the way same way as the Stealth fighter.

The XAAM-4 missile Mitsubishi is developing is designed to provide effective defense against enemy fighters and antiship missiles. It will replace the present "AIM-7" missiles. The DA has appropriated 4 billion yen in fiscal 94 and 12 billion yen in fiscal 95 for its research and development.

While the AIM missile uses the semiactive method in its guidance system—irradiating special radiowaves from outside the missile (from the fighter plane itself) to detect and trace the target reflected waves—the new missile will use the active method, which can itself irradiate electromagnetic waves to detect and trace targets. With this, the fighter will be safer because it will be able to flee as soon as it has fired a missile.

In terms of performance, the new missile will also be immune to the interference of enemy jamming radiowaves, and will also be able to detect and trace Stealth targets undetectable by radar, and small objects.

Taking into consideration Mitsubishi's proposal, the DA plans to decide on the details of the F-15 remodelling project as early as fiscal 96 in discussions with the U.S. side.

Citizens' Group Urges Banning U.S. Apples

OW0802125795 Tokyo KYODO in English 1210 GMT 8 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO—A citizens' organization Wednesday [8 February] urged the

Health and Welfare Ministry to ban imports of U.S. apples following the recent discovery that they contained pesticide.

The organization, Nihon Shison Kikin (Japan Posterity Fund), submitted a letter of request to the ministry, which includes its own test results.

The organization said its own probe found that the skins of apples imported recently from the United States contained up to 1.2 parts per million (ppm) of the insecticide thiabendazole.

It called on the government to focus its inspection on the skins of U.S. apples.

The Tokyo metropolitan government and the city of Yokohama said last week they detected 0.1 ppm and 0.12 ppm of the chemical in U.S. apples imported in January.

The pesticide, detected through inspections of apple samples, is prohibited as an additive in Japan, so the health ministry has urged the U.S. to quickly study the cause.

Thiabendazole in high concentrations is known to cause such side effects as headaches, dizziness and nausea.

The apples tested in the inspection were Golden Delicious apples imported from the State of Washington.

Although the ministry denied the chemical has any harmful effect on humans if ingested in limited amounts, it said it would deal with the issue based on domestic standards if it is found to have been used as an additive, ministry officials said.

The officials said the use of pesticides as additives is banned in Japan but the use of up to 3 ppm as an agricultural chemical is permitted while farmers are growing apples.

In the U.S., on the other hand, the application of the same pesticide as an agricultural chemical is prohibited, while it is permissible to use it as a mold preventive after harvesting.

A U.S. apple growers' organization has told the ministry the apples exported to Japan were probably contaminated by the chemical during the washing process since the brushes used for washing the apples for domestic shipments were sprayed with the pesticide.

Both Japan and the U.S. had banned imports of each other's apples, citing the risk of importing harmful insects, but last year agreed to simultaneously lift the ban after agreeing on acceptable ways to conduct quarantine inspections.

Israeli Foreign Minister Musa Visits

Meets With Kono on Ties

NC0802210395 Cairo MENA in Arabic 2010 GMT 8 Feb 95

[FBIS Translated Excerpt] Tokyo, 8 Feb (MENA)—Foreign Minister 'Amr Musa held talks in Tokyo today with Yohei Kono, Japanese deputy prime minister and foreign minister. The talks dealt with ways to promote Egyptian-Japanese relations in the political, economic, and cultural areas as part on preparations for President Husni Mubarak's upcoming visit to Japan. [passage omitted]

The two ministers discussed the extension of the Nuclear Nonproliferation Treaty [NPT]. Minister Musa stressed Egypt's position, which calls for the establishment of comprehensive peace in the region, a peace that achieves equal and balanced security on all sides. He stressed the need for Israel to sign the treaty and subject its nuclear facilities to the safeguarding system of the International Atomic Energy Agency so that the NPT can truly be characterized as universal and efficient. [passage omitted]

No Agreement on NPT

OW0802135595 Tokyo KYODO in English 1325 GMT 8 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 8 KYODO—Japan failed Wednesday [8 February] to win Egyptian support for an indefinite extension of the Nuclear Nonproliferation Treaty (NPT), Foreign Ministry officials said.

Foreign Minister Yohei Kono called on Egypt to support the NPT's indefinite extension during a two-hour meeting with visiting Egyptian Foreign Minister 'Amr Mahmud Musa, the officials said.

Musa indicated, however, that Egypt cannot support an indefinite or long-term extension of the treaty unless Israel, a nonsignatory suspected of having a nuclear arsenal, joins the treaty.

Musa was quoted as telling Kono that although Egypt supports the NPT, it is compelled to review its stance on the NPT unless Israel joins the 25-year-old treaty, to be reviewed this April.

The treaty, expiring this year, commits signatory nations not to build nuclear arms, with the exception of the five recognized nuclear powers—the United States, Russia, Britain, France and China.

Pointing out that an indefinite extension of the treaty is important to prevent nuclear proliferation and to maintain peace and stability in the world, Kono told Musa that Japan hopes Egypt will make efforts to maintain the NPT regime to fulfill responsibilities toward the international community, the officials said.

Turning to bilateral relations, the Japanese and Egyptian foreign ministers confirmed that ties between the two nations are good and agreed to boost exchanges in cultural spheres, not just in political and economic arenas, the officials said.

They discussed Egyptian President Hosni Mubarak's planned visit to Japan around March but did not work out any schedule, they said.

While Musa urged Japan to cooperate in constructing a bridge across the Suez Canal, Kono replied Japan is interested in the project and is currently studying possible contributions.

Touching on the Middle East peace process, Musa pointed out the vicious cycle of Palestinian discontent toward Israel leading to terrorism and violence and stalling the peace process, and thus creating renewed discontent, the officials said.

Murayama Abandons Plans To Visit PRC in Mar

OW0902144495 Tokyo KYODO in English 1434 GMT 9 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO—Prime Minister Tomiichi Murayama has abandoned plans to visit China in March and his trip might not materialize at least until after May, a high-ranking Foreign Ministry official said Thursday [11 February].

Murayama was tentatively scheduled to travel to Beijing in the fourth week of March.

The Foreign Ministry official, speaking on condition of anonymity, said it is "difficult" for Murayama to visit China barely one week after his planned trip to Copenhagen to attend the United Nations-sponsored World Summit on Social Development on March 11-12.

Murayama has signaled his eagerness to make an early trip to China since last fall. But the visit has been pending after China opposed the visit by a Taiwan deputy premier to attend the Hiroshima Asian Games in October.

Chinese Foreign Minister Qian Qichen urged Japanese Ambassador to Beijing Michihiko Kunihiro late last month to help realize an early visit to China by Murayama.

EU Urges 'Stepped-Up' Deregulatory Measures

OW0902054395 Tokyo KYODO in English 0359 GMT 9 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO—Japan is facing stepped-up pressure from the European Union (EU) for more deregulatory measures at high-level talks that began Thursday [9 February] in Tokyo, officials attending the two-day meeting said.

The EU side said in a statement that it "attaches great importance to the dialogue on deregulation with Japan" to have its proposals reflected in Japan's five-year action plan to be compiled by the end of March.

The EU last October presented a list of requests involving some 150 items in wide-ranging areas from government procurement and telecommunications to financial services.

The first-day session is being attended by experts from the eu and related Japanese ministries and agencies.

On Friday, a subcabinet-level meeting will be held between Sadayuki Hayashi, Japan's deputy foreign minister, and Horst G. Krenzler, EU director general for external economic relations.

Krenzler is also scheduled to meet Deputy Chief Cabinet Secretary Hiroyuki Sonoda and other senior Japanese politicians involved in the deregulatory process, top officials of deregulation-related ministries and agencies, and business leaders.

Government Urged To Set Deregulation Priorities

OW0802145195 Tokyo KYODO in English 1428 GMT 8 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 8 KYODO—A government panel will call on the government to name priority items in promoting deregulations under a new five-year plan, according to a draft report revealed Wednesday [8 February].

The panel of the Administrative Reform Promotion Headquarters, has compiled the draft of a report it will submit to the government to map out the five-year plan.

The draft also advises all ministries and agencies to review their regulations without exceptions and reexamine them after a certain period of time, including their abolition.

Although most panel members insisted the report include establishment of a watchdog body to look at how the deregulations will be carried out from the viewpoint of the private sector, the draft adopts both affirmative and negative opinions on the issue.

A panel meeting, to be held Thursday, is likely to have a heated debate concerning the evaluation of deregulations.

The draft says economic activities should be fundamentally liberalized but with some exceptions and social regulations should be minimized.

The draft proposes that regulation plans be categorized in several groups like "items that need to be deregulated," or "items that need careful discussion" and that deregulations be promoted according to degree of importance.

Haruo Shimada, a professor at Keio University and a member of the panel, complained of the panel meetings, saying they have ignored opinions by a majority of panel members.

FY 1994 Supplementary Budget Enacted

OW0902145495 Tokyo KYODO in English 1127 GMT 9 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO—A supplementary budget for fiscal 1994 was enacted Thursday [9 February], featuring funds earmarked to implement agricultural measures for the farm market opening under the Uruguay Round global trade accord.

The plenary session of the House of Councillors swiftly passed the extra budget, which was already approved by the House of Representatives Tuesday.

The supplementary budget is to help meet fund demand for early implementation of various measures to support agricultural sectors to be affected by the Uruguay Round accord.

Also in the face of falling revenue due to a slow economy, the supplementary budget cuts the initial budget by 673.45 billion yen to 72,408.22 billion yen and includes new spending of 1,331.65 billion yen, mainly for agricultural measures.

It includes 1,057.1 billion yen to be raised from construction bonds and 199.9 billion yen to be raised from deficit-financing bonds, placing the ratio of public borrowings through flotation of government bonds to total revenues at a high 20.6 percent.

Eight budget-related bills were also enacted.

The budget does not cover massive expenditures to reconstruct the Kobe area in western Japan following the Jan. 17 great Hanshin earthquake.

To finance reconstruction, the government and the ruling parties aim to draw up a second extra budget for fiscal 1994 by Feb. 24, with final approval by Feb. 27.

Finance Minister Masayoshi Takemura said at a Thursday meeting of the upper house finance committee that his ministry is working to meet the deadline.

He added that such costs will be too great to cover only by allocation of reserve funds and slashing of other expenditures.

Takemura said it is necessary to consider "emergency fund sources," indicating the government may possibly hike taxes.

NFP Weighs Offensive Move Against Murayama

OW0802154195 Tokyo YOMIURI SHIMBUN in Japanese 8 Feb 95 Morning Edition p 3

[FBIS Translated Text] Giving priority to restoration work following the Hanshin earthquake, the New Frontier Party [NFP] has so far been cooperative with the government. However, the party has begun to seek the timing of launching an offensive movement against the government and holding Prime Minister Tomiichi Murayama responsible for his inadequate response to the quake.

At a 7 February meeting of NFP executives, former Prime Minister Morihiro Hosokawa said: "We should demand the redrawing of the draft 1995 budget plan because the government has failed to include disaster prevention funds in it. Also, because the improper response was a consequence of human neglect, we should consider urging the government to take responsibility." Others echoed Hosokawa, saying: "We should resolutely urge the government to clarify who should take responsibility."

Meanwhile, during the House of Representatives Budget Committee meeting on 7 February, Shozo Kusakawa, a NFP member, attacked the government over the issue of Bank of Japan rescue measures for two failed credit unions. Because of arguments over this issue, budget deliberation was temporarily stopped for the first time since 25 January. It is believed that while taking such an attitude against the government, the NFP is seeking the opportunity to assume the offensive.

The victory of Morio Kimura, an NFP-backed candidate, in the recent Aomori gubernatorial election is seen a big boost for the NFP. There is a prevailing view within the party that "it will give us a boost when we hold the prime minister responsible for his poor response after restoration work is wound up," (as stated by Takenori Kanzaki, chairman of the NFP Diet Affairs Committee).

However, it is unclear when rehabilitation work will be wound up. A source in the NFP Diet Affairs Committee said: "We do not know at the present."

Although NFP executives decided to urge Murayama to take responsibility at the 7 February meeting, they also agreed: "We should follow our original plan not to stop budget deliberation over deliberation procedural matters," (according to Satsuki Eda). They thus confirmed a plan of not linking budget deliberation with their attempt to place responsibility on Murayama. This suggests the NFP still has reservations about launching the offensive against the government. It appears that for the time being, the party will continue to seek the timing of changing to the offensive.

Attack on Murayama Escalates

OW0802134795 Tokyo KYODO in English 1329 GMT 8 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 8 KYODO—The opposition Shinshinto (New Frontier Party: NFP) on Wednesday [8 February] raised the volume of its broadside against Prime Minister Tomiichi Murayama over his handling of the crisis following the Jan. 17 earthquake, Shinshinto officials said.

Senior Shinshinto members in charge of the parliament business agreed to take Murayama to task for the government's flawed handling of the aftermath of the great Hanshin earthquake, the officials said.

They also decided to call for modifications of the fiscal 1995 budget now before the Diet to incorporate rebuilding measures, they said.

Shinshinto has apparently abandoned its policy of cooperating with the government for quick implementation of relief measures and started to step up its attack on the Murayama administration.

"The fact that over 5,000 people were killed in the quake should be taken seriously," one party member said at the meeting.

"The government's political responsibility is evident for the delay in initiating relief missions and also for the shortcomings in crisis management," the lawmaker reportedly said.

The party also decided the same day to seek enactment of a new law to deal with disasters.

The party's special task force to study the government's crisis management system called for a new law that stipulates the establishment of a government emergency management headquarters headed by the home affairs minister instead of the National Land Agency director general, as stipulated currently.

Takeo Nishioka, who heads the task force, said at a press conference that the home affairs minister should head such an organization because he supervises police and fire defense, the principal organizations for disaster rescue missions.

In a related move, Kozo Watanabe, a party executive, insisted that the government not raise taxes to finance reconstruction works.

"The government should not simply raise taxes using the quake as an excuse," Watanabe told a seminar for Shinshinto legislators.

The Japanese financial market could absorb deficit-financing bonds worth 10 or 20 trillion yen to raise funds for the task, he said.

Murayama Under Fire on Quake Response

Rejects Call To Step Down

OW0802125295 Tokyo KYODO in English 1204 GMT 8 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 8 KYODO—Prime Minister Tomiichi Murayama brushed aside Wednesday [8 February] an opposition suggestion that he step down to take responsibility for the government's slow response to the great Hanshin earthquake on Jan. 17 that claimed nearly 5,300 lives.

"The greatest task for the moment is to build model cities that will never repeat (such a disaster)," Murayama said, referring to reconstruction of Kobe, the port city hardest hit by the quake, and its environs.

"We'll put all our energies into achieving that. I'm not thinking of resigning en bloc now (with my cabinet)."

Murayama made the remarks at a House of Councillors Budget Committee session in response to a question by an opposition member, who suggested that he quit after quake relief activities have run their course.

The premier expressed skepticism about a proposal to set up a fund to compensate those who suffered losses in the quake.

"I understand it personally, but the system of our country does not allow it," Murayama told a lawmaker from his Social Democratic Party (SDP) as the committee began intensive debate over the restoration of quake-ravaged areas.

The temblor destroyed or badly damaged thousands of homes, leaving 240,000 people still forced to take shelter in gymnasiums, schools and other public buildings in Kobe and its surroundings.

So far nearly 59 billion yen has been donated for quake victims, government officials said, adding that 100,000 yen per person has been distributed to those whose houses were destroyed or badly damaged by the quake.

As for the distribution of the donated money, Health and Welfare Minister Shoichi Ide told the committee that it is difficult to make foreigners staying illegally in Japan eligible to receive such money because the money can only be distributed to officially allowed residents.

Ide was quick to say that foreigners such as students and business people with proper working visas are eligible recipients of the donated money. Ide made the comments in reply to a question by another SDP member.

Labor Minister Manso Hamamoto said the government is considering whether or not to make companies damaged by the quake eligible for subsidies designed to help maintain employment.

"We are considering it in a positive light," Hamamoto told the committee.

The issue of how to maintain employment has surfaced in the quake-hit Hanshin area stretching from Kobe to Osaka as some companies are cutting jobs because of damage caused by the quake.

In a related development at the committee, a seismologist at state-run Tohoku University said the government-commissioned Coordinating Committee for Earthquake Prediction plans to draft a new map of active faults in Japan to help predict devastating inland quakes such as the latest one.

"We want to review our observation areas by drawing a map that indicates the degree of tension at active faults," said Akio Takagi, vice chairman of the committee, in remarks before the committee.

In other remarks by cabinet ministers, Home Affairs Minister Hiromu Nonaka said the law governing the Self-Defense Forces (SDF) should be enforced flexibly in order to allow the swift dispatch of SDF personnel for disaster relief work.

Nonaka floated the idea in reference to a requirement under the law that SDF personnel can be sent for relief operations upon a request by the governor of a prefecture. This law has been cited for causing the slowness of the SDF dispatch to quake-hit areas.

The law does allow the SDF to move independently in the event of disasters requiring emergency aid, but its ambiguity concerning the degree of urgency reportedly made it difficult for the SDF to act promptly.

The governor of Hyogo Prefecture, which includes Kobe, made such a request about four hours after the predawn quake Jan. 17.

Outlines Pending Legislation

OW0902104495 Tokyo KYODO in English 1029 GMT 9 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO—Prime Minister Tomiichi Murayama reiterated Thursday he will not resign to take responsibility for his government's allegedly slow response to the Jan. 17 earthquake.

"It's my task to make all-out efforts to help quake refugees and deal with the restoration of the quake-hit area," Murayama told a press conference.

Murayama said he will present a bill by mid-February to set up a new government body devoted to the restoration of the region hit by the great Hanshin earthquake.

More than 5,200 people were killed and over 26,800 others injured in the temblor.

Murayama went on to say he aims to draft a second fiscal 1994 supplementary budget by Feb. 24 to finance reconstruction of the Hanshin area that stretches from Kobe to Osaka.

Asked how the funds will be secured, Murayama said he has no plans to move up a planned hike in the consumption tax rate to 5 percent set for fiscal 1997.

Murayama dodged a question by a reporter on whether he plans to raise taxes to finance reconstruction, saying the government is mulling ways to raise funds from a broad viewpoint.

The issue has been in the spotlight as the Hyogo Prefectural Government has estimated the cost of reconstruction at 9.5 trillion yen.

In other remarks at the press conference, Murayama said the quake has not affected planned summit and ministerial meetings of the Asia-Pacific Economic Cooperation (APEC) forum slated for November in Osaka.

Cites Duty To Take Lead

OW0902120795 Tokyo KYODO in English 1137 GMT 9 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO—Prime Minister Tomiichi Murayama said Thursday he will stay on as the head of government to take the lead in uplifting the areas devastated by the Jan. 17 earthquake in western Japan.

"I believe I should do my utmost for the necessary relief efforts," he said at a hastily arranged news conference, brushing aside an opposition call for his resignation over his allegedly slow response to the quake.

"It is my duty to continue trying to carry out this task. That's how I take responsibility," Murayama asserted.

The 70-year-old premier said his tripartite coalition government will do everything it can to help rehabilitate the affected area centering on the port city of Kobe.

But Murayama failed to clearly state how the government will secure the necessary funds to finance the reconstruction programs.

He said only, "it is important to secure the sources of necessary money and it is also important to win public understanding of the matter."

Murayama, however, ruled out the possibility of moving up a planned hike in the consumption tax rate to 5 percent set for fiscal 1997. The indirect tax rate is currently 3 percent.

The great Hanshin earthquake claimed almost 5,300 lives, destroyed or damaged thousands of homes and left some 240,000 people still remaining in temporary shelters such as school gymnasiums.

The main opposition party Shinshinto (New Frontier Party) has been tightening the screws on Murayama, demanding the premier take responsibility for his allegedly flawed handling of the aftermath of the temblor and resign.

Murayama reiterated that the government will take necessary fiscal and legislative measures to help the quake sufferers return to normal life.

The premier, who heads the Social Democratic Party, also reiterated his statement that despite the devastating quake, Japan will host this year's meeting of the Asia-Pacific Economic Cooperation forum slated for November in the city of Osaka, not far from Kobe.

Questioned about the government's allegedly slow response to the disaster, the premier acknowledged the need to review the nation's crisis management system as a whole.

"I am painfully aware of the need to create a crisis management system that enables the premier's office to immediately gather necessary information in the event of earthquakes and other unpredictable natural disasters," he said.

The premier also proclaimed the need to set up a system by which the exact scale of major natural calamities can be quickly assessed when they occur.

Murayama expressed confidence that he displayed strong political leadership after the initial confusion in coping with the aftermath of the quake.

He also thanked the foreign countries that have extended cooperation in getting relief operations rolling.

Toyoda Calls for Early General Elections

OW0802123195 Tokyo KYODO in English 1036 GMT 8 Feb 95

[FBIS Transcribed Text] Fukuoka, Feb. 8 KYODO—Influential business leader Shoichiro Toyoda on Wednesday [8 February] called for an early dissolution of the House of Representatives and general elections.

Toyoda, chairman of the Federation of Economic Organizations (Keidanren), told a news conference in Fukuoka it is important for the government of Prime Minister Tomiichi Murayama to seek a public verdict as soon as possible.

He called on the government to take effective fiscal measures, including supplementary budgets, to expedite the rebuilding of cities damaged by the Jan. 17 earthquake in western Japan.

Japan's economy is strong enough to overcome the hardships imposed by the disaster, he added.

On political donations, Toyoda said political parties should depend primarily on donations from both public funds and individual donations and a system providing for such a process should be established.

* Political Changes Under New Election System

* Hazy Opposition Axis

952B0069A Tokyo ASAHI SHIMBUN in Japanese 23 Nov 94 p 1

[Article by political reporter Hiroshi Hoshi: "Survival Rather Than Policy—Fences Between Ruling and Opposition Parties Disappear"]

[FBIS Translated Text] *Four hundred thousand multiplied by 78 percent, multiplied by 65 percent, subtract 20,000, divide by 2 equals 91,400... These figures now are being discussed in Nagata-cho.*

Competition on Way to Overheating

Average population of the 300 single-seat electoral districts in the House of Representatives single-seat constituencies with a proportional representation system is about 400,000 people. Multiply that by the percentage of voters and, in addition, estimate the voter turnout to be 65 percent. If you subtract the votes won by small political parties and divide by a majority, the number of votes obtained in the winning range will be about 90,000. While the area of almost all of the electoral districts is markedly small, the election win line is high. The competition of Diet members to survive is nothing but overheated.

"There is also dissatisfaction in the New-New Party led by Shinseito [Japan Renewal Party] Secretary General Ichiro Ozawa, but the only way to survive is to become an endorsed candidate. That being the case, the Soka Gakkai vote can also be expected. Here, Diet members only work hard to raise funds according to the instructions of the party executives" (young Diet member of Japan New Party).

"There are seven Liberal Democratic Party (LDP) incumbents in four electoral districts. Endorsement reconciliation will be difficult even for the gods. Since rumors get around that you are shifting to proportional representation when you are absent from local meetings, you must diligently show your face or ..." (Ehime Prefecture LDP Diet member).

Such sighs are heard from Diet members.

Political reform was championed on the occasion of the Recruit scandal. The election system reform that almost all political parties have advocated in the past six years has been realized at any rate. The "LDP one-party rule" for 38 years collapsed amidst the offense and defense of the ruling and opposition parties concerning proposed bills and a change of regimes was realized. That was a success for Japanese politics.

Scandal Contest

However, will the expectations that came to be included in that political reform be fulfilled?

Since fellow candidates of the same political party compete in the two to six-seat medium-sized electoral district system, it is not an election based on parties or policies and candidates are also not particularly pressed to express their intentions. The fights among themselves are linked to LDP factional elections and factions are active in raising money. That became the hotbed for scandals. Regardless of ruling or opposition party, it is the logic which came to promote political reform.

However, in Nagata-cho which aims for a general election under the new system, Diet members are doing their best to survive rather than to debate policy.

"There would be elections based on policy under the new system, but ironically, right before realization of the election, the fences separating the ruling and opposition parties have disappeared. The parties in the Diet are now only dragging each other's feet in a scandal contest." Yasuo Nishino (at Asahido Kominamiryo, the New Party Constitutional Protectionist Liberal) stated this pet opinion in questioning in the House of Councilors Special Committee on Political Reform on the 14th.

The Social Democratic Party of Japan (SDPJ) changed its basic policy once it took power, and the differences in policy between the ruling and opposition parties became small. The combination of circumstances is that the opposition party which is aiming at a New-New Party is also the congeries of various political parties and cannot produce clear policy. The difference between the ruling and opposition parties is only the sentiment of "anti-Ozawa" versus "pro-Ozawa" or abstract slogans of the "gentle politics" versus "responsible politics." The ruling and opposition parties do not clearly bring out an axis of opposition in policy concerning the course of the nation and debate if it is right or wrong.

Party Effort Not Seen

The present extraordinary session of the Diet where a full-scale debate was expected for the first time since the inauguration of the Murayama regime became a scandal contest including the House of Representatives Budget Committee. When the opposition party "Kaikaku" (Renovation) criticized stock transactions of Prime Minister Tomiichi Murayama's wife, the LDP attacked Soka Gakkai, the main support group of Komeito, based on the reporting of a weekly magazine.

One of the officials of the Ministry of Finance spoke of bill deliberations on raising the consumption tax which will exert a great influence on the people's lives as "nothing more than a schedule conflict." When one party leader of the New-New Party groups tried to urge liberalization of agricultural products in campaigning, he was said to have handed a memo upon which was written, "Please stop because agricultural cooperative votes will desert us."

In the special committee on the 14th, when Nishino repeatedly pressed a question, "Is an election based on policy really possible," Hiromu Nonaka, minister of Home Affairs and Hiroshi Mitsuzuka, head of the LDP Political Reform Headquarters, unanimously replied, "Political parties must make an effort with a sense of responsibility." The single-seat electoral constituencies era has begun with still no "effort" by political parties.

* Hotbed Remains

952B0069B Tokyo ASAHI SHIMBUN in Japanese 24 Nov 94 p 1

[Article by political reporter Katsuyuki Yakushiji: "Scramble for Corporate Contributions—Competition Intensifies Even Within Same Party"]

[FBIS Translated Text] Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party], who spoke at the Administrative Reform roundtable discussion held at the Keidanren Hall in Otemachi, Tokyo, on 17 October, said to Isao Nakauchi (president of Daiei), deputy chairman of Keidanren, in a separate room after the roundable discusion, "I seek your kind offices since I am forming a new political funding group." Nakauchi only replied, "I will convey it to Chairman Shoichiro Toyoda."

Succession of Appeals to SDPJ Also

After formation of the party, Shinseito officially had the position that "Until the political reform bill passes, we will decline corporate donations that come in" (Moriyoshi Sato, former permanent secretary in charge of finance). The New-New Party, which will be formed on 10 December [1994], is scheduled to form a political funding group that will accept corporate donations. Ozawa's action was an announcement that after the formation of a new party, the party will be seeking corporate donations.

Finance Bureau Director Asahiko Mihara and others of the new party Sakigake also visited Keidanren this spring and requested donations. Komeito, which had not accepted corporate or group donations under the bylaw that "contributions will be limited to individuals," decided on acceptance at the party convention on 5 November. With the fiscal revision of the tax system near at hand, the figures of corporate-related people making appeals in offices of the SDPJ ruling party Diet members have been prominent.

During the era of the LDP one-party regime, there were many contributions from corporate and industrial group members of Keidanren flowed to the LDP through the "National Political Association" and to the Democratic Socialist Party through the "Seiwa Kyokai [political harmony association]" through the good offices of Keidanren. However, Keidanren stopped its mediation in September 1993 amidst the trends of political sector reorganization.

Except for the Japanese Communist Party, all the ruling and opposition parties are assuming the appearance of scrambling for corporate donations.

"Era of Local Diet Members"

The LDP headquarters received a request from regional organizations saying, "Since it is first come first served with corporate donations, branches located in prefectures with many corporations have an overwhelming advantage. Therefore, please arrange some measures so that other branches can also secure the donations."

The LDP will create electoral district branches where the person scheduled to be the announced candidate in each of the 300 single-seat electoral districts is made the branch head. In the case of incumbents, however, the majority will change only the placard from their individual support association to "branch."

Indeed, the restrictions on contributions to funding management groups of individual politicians have been strengthened in the revisions of the Political Funding Control Law and transparency has also increased with the lowering of disclosure standards. However, if the sign becomes "branch," previous support associations can raise political funds the same as party headquarters or prefecture liaisons. As a result, it is possibile that competition to collect contributions will intensify not only with other parties but also among themselves within the party. The view of one party officer is that "Rather direct results are expected by giving a donation. Politicians are also cognizant more than before of the electoral district benefit inducements. From now on it will be the era of local Diet members, not zoku Diet members."

In September 1988 when the Recruit scandal had just been exposed, a young LDP Diet member formed the "utopia political study group" and proposed political reform. Proclaiming that "We will continue political activities while fighting desperately with money troubles daily," their strong point was "the realization of politics that does not cost money."

Facing politician scandals one after the other, the "outline of political reform" which the LDP Political Reform Committee put together in May 1989 focused on elimination of political corruption, and the election system reform was one of the steps. However, the diagram changed to "political reform equals election system reform" via the later split in the Takeshita faction and the LDP fall from power. Finance Minister Masayoshi Takemura (leader of New Party Sakigake), who was one of the central figures in drawing of the "outline," also waved the banner of promoting election system reform after leaving the LDP. As he acknowledges, "Election system reform certainly has protruded in the forefront and the true political reform is nowhere to be found," and while we were unaware, political reform has changed its form to a struggle for power, and the hotbed of corruption has remained.

Keidanren Taking Stock of Situation

Keidanren is assuming a wait and see attitude for the time being about the way corporate donations should be, saying that "individual corporations and group will act by independent decision." Secretary General Masaya Miyoshi relates, "Japanese politics and elections are closely entwined with ceremonial occasions and invariably cost money. Stopping the practice with a drastic measure probably is impossible. However, recent reforms probably will end in maintenance of the status quo if those induced benefits, local, and blood tie type of politics and elections are continued." Just viewing the actions of the various parties, there have been no signs of change in the previous mechanisms of politics.

* Confused Ship Sets Sail

952B0069C Tokyo ASAHI SHIMBUN in Japanese 25 Nov 94 p 1

[Article by political reporter Shinichi Yoshida: "Continued Party Departures—With No Hope for Stability, Bureaucratic Leadership"]

[FBIS Translated Text] "You have lifeless eyes. You shouldn't have gloomy faces in an exciting time of creating new parties." Party Head Tsutomu Hata (former prime minister) recently raised an angry voice at a meeting of Shinseito Diet members. Although new systems such as the single-seat electoral system upon which they are risking "rehabilitation of politics" have been realized, the topic of conversation has been only "personnel matters" such as chief of the new party, even in the New-New Party with the banner of reform. Heated debate on how to change politics has not risen at all.

"I understand that there is anxiety. But both politics and parties are completely changing now. The size and meaning of changes still have not sunken into politicians," says Hata.

Indifferent Class Grows

It is the first time in 70 years for radical election system reform. Both politics and parties "cannot be indifferent" to this turning point," but they are right in the midst of confronting "a transition period when they do not know what they are facing" (Sadamu Yamaguchi, a Ritsumeikan University professor).

Ironically, the indifference toward politics is growing worse.

Last year, there was the "Sunday project" of TV ASAHI which played a role in "the media-zation of politics" with appearances by politicians. The viewer rate which was 12 to 13 percent at the time recently has fallen to 8 to 9 percent. Upon calculation, a million and some people no longer watch the program.

Regular commentator Soichiro Tahara does not hide his exasperation at politics, saying "It is a phenomenon since the LDP-SDPJ coalition. That is because messages by politicians on what they want to do have disappeared and only the power game attracts attention." Recently, they have begun to work on a plan to invite bureaucrats and not have politicians appear.

In a November public opinion survey by ASAHI SHIMBUN, the class with "no supported party" was 13 percent, showing the highest figure since the inauguration of the 1955 system. The figures are the result after repeatedly asking people who gave no party name to "venture to choose." In the most recent survey by JIJI PRESS which asked for a party name only once, the "none" class was 55 percent, the highest in the past. The increases all began this spring.

Party departures are proceeding in the new era when parties should have a major role. It relates eloquently the ruggedness of the road to "rehabilitation of politics."

Eager Moves Locally

However, crustal movements are swift.

It is estimated that about 30 graduates of the Matsushita Politico-Economic Private School, which sends youths aspiring to be politicians who do not have a base or placard out into the political sector, will be candidates in the next general election. It is a further increase from the general election last year when 23 people who responded to the coalition era stood for election.

One of them, Nozomu Takashima (34), private secretary to a Diet member, who aims to run from Shimane Prefecture, says, "In the medium-sized electoral district, you could win in the gaps of multiple candidates. In the single-seat electoral district, however, the incumbent is overwhelmingly strong. If you miss this opportunity, you will not get into politics."

In the United States with single-seat electoral districts, a commotion occurred when the Republican Party became the majority in the previous upper and lower house election. In reality, however, the win rate for incumbents was 91 percent in the lower house and 92 percent in the upper house. The reality of such a single-seat electoral district system may become an opportunity to bring new blood into politics in Japan for the present.

Kiyoshi Matsuya, Shizuoka municipal assemblyman (43), unaffiliated, who continued his opposition campaign against the single-seat electoral districts and "was defeated," suddenly came to his senses in the Shizuoka mayoral election this August. "In the single-seat electoral district system, it will be a fight in the same locality for the mayoral election and municipal assembly election." That is because the city as is will become the 1st Shizuoka District.

"It is possible to produce our own Diet members like we choose a mayor and to represent ourselves centrally with a local party if five legislators with the same aims are produced nationwide. Something probably will be possible with the power of the municipal assembly." Matsuya now is exploring ties with local party movements in various areas. Taking the "localness" which single-seat electoral districts have the other way, it is an attempt to open up air holes in the logic of Nagata-cho.

The general view is that "Two or three general elections will be necessary" (former Prime Minister Noboru Takeshita) for Japanese politics to get rid of confusion. At least, political stability cannot be expected until then and predictions are great that there probably will be an lean toward "bureaucratic leadership."

Quality of Politics Questioned

Former Deputy Prime Minister Masaharu Gotoda who turned to politics from the bureaucracy published his own criticism of bureaucratic politics this year.

"It is a warning that if politicians show an unguardd moment in this transition period, obtrusion by bureaucrats will occur. For that alone, we have entered a period where the "true value" and "quality" of politics is questioned. The transition period should be as short as possible."

Gotoda, who can be called the originator of election system reform, thus has tied expectations to politics.

SDPJ Further Postpones Party Meeting

OW0902071895 Tokyo KYODO in English 0605 GMT 9 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO—Leaders of the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] agreed Thursday [9 February] to further postpone an extraordinary Party Congress, previously scheduled for March 11, thus keeping a lid on the controversies which threaten to split the party.

The SDP Policy-Making Central Executive Committee decided on the postponement to allow its head, Prime Minister Tomiichi Murayama, to attend the U.N.-sponsored world summit on social development in Copenhagen on March 11-12, party officials said.

The general meeting was originally set for Saturday with discussions expected to center on the crucial issue of transforming into a new party.

However, after the Jan. 17 Great Hanshin Earthquake the meeting was put off until March in order to focus on disaster relief, bringing a cease-fire to the dispute between right-wing rebels eager to disband the SDP and establish a new party immediately, and left-wingers reluctant to do so before elections for the House of Councillors this summer.

The party officials said Secretary General Wataru Kubo told the committee Thursday he would place top priority on seeking ways to prevent the party from breaking up.

But a committee member from the rebel group maintained that the group would not drop its intention to quit the SDP's parliamentary group as concrete plans for creating a new party are still not in sight after the postponement of the general meeting once again.

On the day the quake hit western Japan, 24 rebel members led by former SDP Chairman Sadao Yamahana submitted a notice to the party that they would leave the SDP's parliamentary bloc.

Kubo has persisted in freezing any decision on the notice while trying to persuade the rebels and left-wingers to resolve the issue.

Given the further postponement of the SDP general meeting, attention is again fixed on whether the rebels will carry out their threat to leave the SDP.

But, having announced that they see quake relief as their first priority, the rebel group is likely to take a more cautious approach in the face of expected public criticism over any political jostling when quake rehabilitation has just started.

Meanwhile, Murayama, who is backed by the left-wingers in the SDP, told reporters at the Diet that the general meeting will be rescheduled to a date after the local government elections in April.

* Political Figures Discuss Party Alignments

952B0101A Tokyo GENDAI in Japanese Feb 95 pp 54-62

[Discussion by Keiji Shima, former NHK chairman, and Junya Yano, former Komeito chairman; place and date not given: "Key Rests With Tokyo Gubernatorial Election. Analysis of Backstage Activities of Liberal Democratic Party and New Frontier Party"]

[FBIS Translated Text] **Day When Ichiro Ozawa and Soka Gakkai Part Ways; He Who Raises Hand First Will Fail To Win the Nomination**

[Shima] There are people like Noboru Takeshita, who essentially have departed from their duties as party leaders and who still exercise influence, but in viewing Yano in recent days I wonder if he is not in the same category. Moreover, I get the impression that in a sense you are part political commentator and concurrently an individual who views Japan and contemplates the future of Japan from an angle which differs from that of a politician.

[Yano] No. I am not of such an admirable state of mind (laugh). Well. As you are aware, the Komeito has a mandatory retirement age, and after 27 long years of service, I retired at the time of the elections two years ago. Recently, an unnamed source suggested, "You should consider running for office again," but I politely declined. Now, if I were to run for election under the small electoral district system at this age, I would have to subject myself to a situation which would jeopardize my lifespan (laugh).

[Shima] I would like to ask you a question at this point. One of the big political events of the year will be the Tokyo gubernatorial election to be held in April. The political world at the national level is now split into an alliance of the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger] and the New Frontier Party [NFP], but in Tokyo both the Komeito and LDP are members of the local ruling parties. What is your projection of the outcome of the election?

[Yano] You are speaking of a major issue. Tomio Fujii, who serves as the executive-secretary of the Tokyo metropolitan assembly and who has chosen not to join the NFP but to remain a representative of the Komeito, has been a long-time close ally of mine, and I believe he is thinking in terms of an LDP-Komeito alignment. In the political world at the national level, the LDP and Komeito are engaged in a confrontation, but the story is different at the local government level. However, the situation must be confusing to voters in the Tokyo metropolitan area. Accordingly, we can visualize a variety of candidates for the Tokyo gubernatorial election, such as candidates representing the ruling and opposition parties, candidates siding only with the ruling parties, or a situation in which an new unaffiliated candidate appears in an effort to garner the undecided votes to provide for competition between a ruling party candidate versus a candidate not affiliated with any political party. At this particular stage, it is impossible to predict what will happen in this respect. A number of prominent individuals such as Deputy Cabinet Secretary General Nobuo Ishihara and former Minister of Education Kunio Hatoyama have been mentioned, but this is a situation where the first to raise his hand as a gesture of acceptance of the nomination will fail to win the nomination.

[Shima] I faced an extraordinarily intolerable situation during the last Tokyo gubernatorial election (Note: As an opposing candidate to the current governor, Suzuki, Ichiro Ozawa supported the NHK's Takanori Isomura, who failed to win the election. Shima was chairman of NHK at that time). And, of all groups, the Komeito teamed up with Ozawa to arbitrarily push for the candidacy of Isomura in a manner very typical of Ozawa's style of operation.

[Yano] I for one had said on several occasions that "the election will be lost" (laugh).

[Shima] And those movements led to that stupid outcome. Accordingly, one wonders what actions Yuichi Ichikawa will take in connection with the next Tokyo gubernatorial election. Of course, I do feel that he is thinking the situation over very carefully in view of the terrible experience of the last election... I believe the Komeito faces a difficult situation whether or not it affiliates itself with the LDP.

[Yano] Yes. Recent movements indicate to me that the election will be one in which the ruling and opposition parties will organize a confrontational election campaign. In any event, I would like the candidates to assume clear-cut stands and wage a fair and forceful campaign based on policy issues.

[Shima] Any way, once they reach the stage of nominating candidates, early spring will witness the formation of some schisms in the ranks of the NFP.

[Yano] An LDP-Komeito alliance could mean the formation of some distortions.

Target of Unnecessary Grudges

[Shima] Now come to think of it, the NFP was launched on 10 December of last year. I had started out as a rookie political reporter just before the conservative alliance formed in 1955, but the political situation was very unstable even at that time, when Takeyoshi Miki said, "Political stability is essential to provide for the growth of the Japanese economy," leading to a situation in which amazingly adept negotiations led to a quick consensus. However, the recent NFP differs both structurally and in terms of public reception from the time when the conservative alliance was formed in 1955. When the conservative alliance was formed in 1955, the people breathed a sigh of relief on a nationwide basis. In the case of the NFP, the public is totally apathetic. The public displays no enthusiasm for what is happening. In any event, priority was given to forming the largest possible group and that effort led to the establishment of the NFP. The NFP has neither doctrine nor any other essential qualities.

[Yano] If they were to stand idly by without taking any action, the potential NFP members will have undergone fragmentation. It was strictly a case of first calling for the establishment of a new party. However, the critical issue of policies remains in limbo.

[Shima] At this point, I wonder if you were playing an active role at the heart of the current series of political restructurings, would you have allied yourself with an Ozawa-type group or a motley group of politicians to form a group not necessarily of the non-LDP genre? In other words, a group separate from the so-called Ichiro Ozawa-Yuichi Ichikawa lineup.

[Yano] However, the once considered SDPJ-Komeito-LDP lineup lacked leadership. In the end, the only way to gain control of the government would be to eliminate the LDP. In the midst of such sentiments, Ozawa abandoned the Keiseikai in a move disregarding his superiors on the wave of political reform and then disassociated himself from the LDP. I myself feel that Ozawa made his move at the opportune time. And I feel that Ozawa and Ichikawa who suddenly destroyed the LDP-led government are preeminent politicians. However, in terms of impressions, the Ichiro Ozawa-Yuichi Ichikawa lineup became so prominent that the Komeito, Ichikawa, and the Soka Gakkai became the target of an unnecessary LDP grudge. Basically, the LDP must have held a grudge against Ozawa because they considered him to be a traitor. There is no logic in a grudge held against the Komeito or Soka Gakkai. If former Komeito Chairman Yoshikatsu Takeiri or Yano were involved, they would have maximized their efforts to prevent politcal distortions of the degree encountered between the LDP and the Soka Gakkai. After all, we are all obligated to the Soka Gakkai. It is truly difficult for us to tolerate attacks against the Soka Gakkai predicated on political grudges.

Ichiro Ozawa-Yuichi Ichikawa Line is Dangerous

[Shima] I will turn the clock back somewhat, but two years ago when the LDP was being upset by the Kanemaru and Sagawa incidents, the LDP did not necessarily represent a monolith. If at that time, there was a group among the opposition parties which could have joined with the reformist forces within the LDP, we probably could have witnessed a different political development. Even in the case of Takemura and Hosokawa, they must have sensed greater affinity with the reformists within the LDP than with the SDPJ. They were making an effort to affiliate themselves with such elements. Even in the case of the Komeito, efforts have been made to tread the path of pacifism ever since the party was founded.

[Yano] You are so right. The Komeito allies itself with peace and the weak.

[Shima] Come to think of it, in reality, the most hawkish within the LDP—although I hesitate to say so—was Ozawa. Nonetheless, he ran off on a tangent. I think he could have acted in a more judicious manner.

[Yano] At that time, my retired predecessors and fellow party members said, "It would be dangerous to forge ahead with the Ichiro Ozawa-Yuichi Ichikawa lineup." However, at that point, it was impossible to align oneself with the LDP parent organization which was being hit by the brunt of unfavorable public commentary. Thus, there were no other alternatives at that time and the Ichiro Ozawa-Yuichi Ichikawa lineup performed admirably. However, as you just mentioned, adhering too closely with that lineup along with Ozawa would signal an excessively hawkish trend. However, in the end, the Hosokawa administration was created under a very close Ichiro Ozawa-Yuichi Ichikawa alliance, but collapsed under a counterattack by the LDP. In reality, the LDP built three strategies. The first involved the removal of Hosokawa, who enjoyed a high support rating. The second involved an attack on the Soka Gakkai which the LDP believed was backing up the Ichiro Ozawa-Yuichi Ichikawa lineup. The third involved the strengthening of its ties with the SDPJ in secrecy. Such moves were followed by the departure of Hosokawa. The SDPJ removed itself from the alliance because of its antagonism towards the Ichiro Ozawa-Yuichi Ichikawa lineup and the old coalition government collapsed. During that process, the Soka Gakkai was faced with the need to undergo a policy change during the summer of last year. In a sense, it faced the need to demonstrate its independence as a religious organization wherein it had to look upon the NFP as not being the single most important existence.

[Shima] That is when the Komeito developed its two-stage party split strategy.

Survival Game

[Yano] The NFP does not have the resources to employ the nearly 700 employees of the Komeito. Thus, it came up with the two-stage plan by which the party will be split with 3,000 prefectural legislative members and headquarters employees remaining in the Komeito and the House of Representatives members joining the NFP. The Soka Gakkai will logically and sentimentally support the NFP, but could at times support the LDP, but that stance reflects somewhat of a retreat from its original position and now focuses on individual personalities and their backgrounds. Earlier we spoke of the conservative alliance of 1955, but I believe that alliance was formed to eliminate grudges among political parties of that time. However, the recent political upheaval was one which created new grudges. And two years ago when the Komeito accepted the joint small electoral district-proportional representation electoral district concept, the Komeito was already doomed to dissolve, so there is no reason to quibble about its status at this late stage. All we can do is hope for a better future.

[Shima] If we mention that politics is a matter of debating consequences and if we assume that there are no alternatives, we have no more to say, but the perception that leadership under an Ichiro Ozawa-Yuichi Ichikawa lineup could lead to disaster does not exist only within the LDP but is widely embraced by the public. The question is, does the Komeito really accept the Ozawa-Ichikawa lineup? The founding spirit of the Komeito should differ in terms of the basic political doctrine and specific policies of Ozawa. The question is, why did Ichikawa, who is your successor sharply, reverse himself in teaming up with Ozawa? Now the question is, what is left as a result? And the debate departs from Ozawa and focuses on just what the Komeito doing at the present time. Moreover, the Komeito must engage itself in a survival game relative to whatever action it takes in the future.

[Yano] It has no choice but to survive the current situation.

[Shima] Even with respect to the two-stage strategy, there is the view that "it is a good approach," as well as the suspicion that "the party is trying to play it both ways." Moreover, the party will soon have to deal with the small electoral district system. The Komeito's vote garnering capacity is said to be around six million, and criticism is rife that the Komeito will control the votes and the NFP will be at the mercy of the Komeito. On the other hand, there is the criticism that the Komeito must not be manipulated by Ozawa. I believe we live in an age when the Komeito will face many difficulties.

[Yano] Yes. Well, we can only hope for better times. Really! (laugh) However, even within the Komeito, there is no lack of criticism which points to the matters just mentioned by you. For that reason, as I see it, even the Komeito supports issues initiated by Ozawa, such as permanent membership in the UN Security Council and deployment of PKO [peace-keeping organizations] units, but does not agree with his actions in every respect. However, we are speaking of a power struggle, so I am unable to predict the ultimate outcome. The LDP assumes the view that the Soka Gakkai is backing up the Ichiro Ozawa-Yuichi Ichikawa lineup. That is why the position is taken that the Soka Gakkai should be "attacked," but if the situation persists, the Soka Gakkai and the LDP will turn out to be bitter enemies. Former Democratic Socialist Party (DSP) Chairman Keigo Ouchi refers to the NFP by saying, "The NFP is an academic party backed by a religious organization," providing for a situation which alludes to a religious war. I feel that such a situation is not beneficial for any of the parties concerned. Politics must be dedicated to the rational pursuit of future domestic and diplomatic interests of the nation. So-called religious wars involve the passions of the religious world, and it is undesirable that either religion or grudges become entangled in political disputes. I feel that the Soka Gakkai is aware of this fact and is making an effort to pull back to a degree. I feel the situation reflects circumstances in which the Soka Gakkai was unwittingly entangled in political distortions.

NFP Platform Disregarding Constitution

[Shima] Now we discuss the NFP. I must apologize to the NFP for making this analysis, but I feel that many of the actions being taken now are for the purpose of laying the groundwork for its next restructuring. The Komeito handled its restructuring in a two-stage approach and even the DSP is taking what appears to be a two-stage approach. Even with reference to Ozawa's former Shinseito, we see newspaper articles of almost daily frequency which speak of "a split between Hata and Ozawa."

[Yano] The NFP's party platform is not necessarily clear in terms of the party's basic posture relative to the Constitution. The Constitution served as a major pillar in sustaining postwar Japan. A political party cannot represent itself as such unless it clarifies its policy relative to the Constitution; i.e., whether its policy is to preserve the current form of the Constitution or whether it proposes to amend the Constitution. However, there are aspects which are unavoidable. As an example, some factions have members who are both for preserving the current form of the Constitution and those that favor amending the Constitution. Both doves and hawks co-exist. They even differ among themselves on the subject of PKO. There are also elements which prevent a solution even in those cases where a solution should be feasible through coordination. In any event, it appears that the NFP was organized with the idea that a party with a largest possible membership should be established initially.

[Shima] When the LDP was established, it assumed the policy of working for an amendment to the Constitution. However, that position was a mere formality and in reality its party members are split between preserving and amending the Constitution and the party faces a situation in which it is unable to launch a clear-cut policy. This particular problem exists in both the NFP and the LDP.

Rampant Bureaucratic Politics

[Yano] Yes. That is the situation. An extremely regrettable fact was that in June of last year the then ruling party relinquished government power in exchange for the approval of the small electoral district system. Power struggles are horrible conflicts similar to assaults on castles of ancient times in which everyone in a political party faces defeat. That is why grudges and hatred arise from such situations. And this is why a ruling party should not relinquish government powers until such turbulent situations calm down. The joint existence of the proportional representation districts and small electoral districts represent an election system which is very difficult for minority political parties. As an individual, I am strongly opposed to the small electoral district system. Under the medium electoral district system, the second- and third-ranking candidates were eligible for appointment to office, but the small electoral district provides for only one winner. Under such a system, there is the possibility that pork-barrel politics will be practiced on a wider scale in which politicians will blow their horns about "bridges and roads" that they built for constituent communities. Additionally, if an opposition party representative visits a government office and gains approval for construction of a road, the administration will not remain silent as has been the case in the past. It will become a situation in which the administration will in a sense exercise extreme power, because the ruling party will monopolize pork-barrel activities and exclude opposition parties from such activities in the electoral districts. Politicians will become obsessed with pork-barrel activities and government affairs will be relegated to the discretion of bureaucrats. Bureaucratic government will dominate to a greater degree than ever seen in the past. Considerable turmoil took place over political reform, but this situation is all that remains. Is it a case where political reform has been limited to the establishment of provisions for political party subsidies? (laugh) One wonders if such turmoil could produce such a stupid outcome. The financial world has resumed the practice of making corporate political donations. Zoku Diet members have become prevalent. Corruption will once again become a matter of concern. The zeal for political reform has disappeared completely. If the situation remains unchanged, politicians will lose all interest in the subject. Japanese politics will drift in an uncontrolled manner. After much hullabaloo, the LDP has regained government power, and all that we have left is political distrust.

[Shima] Now Yano, we say the LDP has restored itself to government power, but if we take a look at the internal situation in the LDP, we realize that it cannot co-exist with other political elements. And the same can be said of the SDPJ. However, now that the small electoral district system is in place, the LDP has already started to coordinate or nominate candidates to run in each of the districts. Basically, it is close to impossible to coordinate the nomination of candidates for as many as 300 small electoral districts involving potential nominees from the LDP, SDPJ, and Sakigake.

[Yano] Yes. I would say that would be a difficult task.

[Shima] As a result, we will see cracks rapidly opening up among the ranks of the current ruling coalition. Under current conditions, the SDPJ will incur major defeat. The SDPJ has adjusted all of its principles and assertions to bring them into agreement with those of the LDP and has assumed a role as part of the ruling coalition, but the party that benefits as a result is not the SDPJ, but the LDP. In fact, the situation is such that it would be better for the SDPJ to undergo major election defeat. Such an outcome, I feel, will accelerate the attainment of stability and restructuring of the Japanese political scene.

[Yano] Reportedly, a key figure of the former Shinseito made self-deprecating remarks at the party's dissolution rally by saying, "The Shinseito, in essence, helped create the LDP-SDPJ-Sakigake administration." There is certainly some truth to that statement. In any event, the policy reversal of the SDPJ was sudden. If one were to ask why such a reversal took place, I believe an element of emotional distortion existed in the background. At any rate, they speak of a grudge against Ozawa who abandoned the LDP. Normally, politicians are known for their strong likes and dislikes and are frequently involved in emotional distortions, but the motivation for the unnatural change in administration giving birth to the Murayama administration in the summer of last year was born out of anti-Ichiro Ozawa-Yuichi Ichikawa sentiment distortions which were strong enough to overlook policy distortions within the coalition embraced by both the LDP and the SDPJ. Accordingly, politics in the past year were none other than emotional politics and did not represent politics based on policy. The Diet engaged in nothing but mudslinging, but even then, all of the important legislation was passed. I had figured that mudslinging of those proportions would preclude the passage of legislation (laugh), but that did not turn out to be the case. In essence, basically the situation reflected the adaptation of an overall conservative stance, leading to SDPJ acceptance of policy differences. Any remaining kinks will have to be sorted out in the new year.

[Shima] I now make reference to the small electoral district election, but the current ruling coalition speaks in terms of delaying it as much as possible. However, I think they are speaking in terms of principles.

[Yano] The opposition parties speak of early dissolution of the Diet, while the ruling coalition speaks of handling the budget through at least two cycles and conducting a carefully plotted election campaign after subjecting the NFP to starvation tactics. However, reality is quite the reverse. There is a gradually increasing number in the LDP who deceitfully advocate early dissolution because they believe the NFP is undergoing internal turmoil. On the other hand, the opposition seems to be hesitating. Even a friend of mine who is attempting to run as a candidate in the coming election is agonizing over his status involving such thoughts as, "I have little chance of winning as an NFP candidate."

Call for Overall Reorganization of the Political World To Create a Takemura Party

[Shima] The LDP is undergoing major turmoil in an effort to coordinate the next election. For starters, they will be able to arrive at uncomplicated nominations for only about 100 of the 300 small electoral districts. Each Diet member is engaged in a desperate election campaign on weekends. It will be impossible to postpone the election until next year under these circumstances. They will be unable to keep up the momentum. However, if the question arose, could an election be held early this year? The answer would be, "impossible." They have to deal with upcoming local elections. Thus I feel the coalition will have to dissolve the current administration around summer. What shape to you feel that election will assume?

[Yano] Common sense would dictate that it should assume the shape of a competition between two major political parties, but we must be mindful of the fact that a widespread stratum of the public is currently apathetic about the political scene. There is a strong possibility that the voters will say no to both ruling and opposition parties. In other words, I think a very strong possibility exists for a "third political force." The LDP merely borrowed Murayama as a means to restore itself to ruling party status. I think the SDPJ should take a lesson from that example, join ranks with the Sakigake, and make Takemura the leader of a third political party. They must take action to prevent any further decimation of the internally fragmented SDPJ. They could even go with Murayama as prime minister and Takemura as party president. They should absorb other citizens leagues and discard the SDPJ title. There is no way that the LDP and SDPJ can cooperate in an election. When I once told an SDPJ executive that they should project themselves against the LDP on a competitive co-existence premise, he said, "I believe we have no choice but to do so, but will Takemura agree to the approach?" The only way to resuscitate the SDPJ is for it to become a veritable liberal party in body and soul. If it persists in an intra-party conflict about being leftist or rightist, the SDPJ will self-destruct.

[Shima] Assuming that happens, what will the political map look like? Will political forces be distributed so that we have the NFP with the Ichiro Ozawa-Yuichi Ichikawa lineup, the LDP, and the Sakigake-SDPJ, thus forming a three major force political world?

[Yano] The probability is strong. An increasing number of people are favoring my idea. What I am about to say may be inappropriate, but if the SDPJ and Sakigake were to build a new third political force based on peace, welfare, and liberalism, I think there is the possibility that the majority in the Soka Gakkai will "empathize" with such a position. As far as Soka Gakkai members are concerned, they have no religious ties with the NFP. For them, policy and ethics are crucial. In the end, the Soka Gakkai will support those who side with the issue of peace and the weak. I feel that in the case of Ozawa, the Shinseito and the NFP are mere way stations forming a part of the struggle for power. That means there will be one more political restructuring. The Komeito should also restore itself to its former idealist stance. Though I must admit this may be just wishful thinking.

New Partner

[Shima] I can understand the possibility of such developments from a long-term perspective, but I doubt that such restructuring can take place ahead of the upcoming dissolution. As an example, if the Sakigake and SDPJ should form a third political force, what response can we expect from the Komeito?

[Yano] I imagine they will join forces with the NFP in the next election.

[Shima] I would think so. However, on a long-term basis, rather than remain with an Ozawa lineup, the Komeito will align itself with a pacifist third political force lineup or a people's-type lineup.

[Yano] I think they will seek a new partner. I think I can be conclusive in this prediction.

[Shima] If that should happen, it will have an immediate effect on the LDP, and we will finally enter into a third full-scale political restructuring. I believe Japanese politics will become clearly defined and assume stability, but the question is, can the Komeito really undergo such changes?

[Yano] Even in the Soka Gakkai, there are many executives who bluntly state, "We are not about to engage in a suicidal act by aligning ourselves with Ichiro Ozawa policies." There was an episode last year when Ichikawa addressed the constitutional and nuclear issues with somewhat unusual statements, and the youth and women divisions of the Soka Gakkai restrained him by saying, "We cannot tolerate your stand on those issues." There are some issues where the Soka Gakkai, as a religious organization, "cannot make concessions." Thus, they have saved face for Ichikawa, split the party while maintaining the parent portion with the Komeito, and, so to speak, saved half of Ichikawa's face. Depending on the outcome of the next election, I think there could be one more restructuring. In conclusion, this whole discussion may be one which should have been listened to as an early spring bull session covering someone's wild dreams.

Advisory Panel To Review Financial Policies

OW0802144295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Feb 95 Evening Edition p 1

[FBIS Translated Text] On 7 February, the government and ruling coalition parties firmed up their plan to set up a new advisory body to Prime Minister Tomiichi Murayama to conduct discussions on a drastic review of the government's financial policies, including the fiscal investments and loans program. Regarding the government's compilation of reports to be submitted on 10 February by government ministries and agencies concerning review of government-affiliated special public corporations, it has become difficult to spell out a bold program on mergers or abolition of such government-affiliated financial institutions as the Japan Development Bank [JDB] now that the great Hanshin earthquake-related reconstruction projects have become linked to the issue. The new advisory panel is to be created so that the government and ruling coalition parties can avoid the criticism that their program on reorganization and rationalization of special public corporations has suffered a severe setback from its original intent. When the government announces its program on reviewing special public corporations on 10 February, the government and top officials of ruling coalition parties intend to incorporate plans to set up the advisory panel and work toward reviewing financial policies in the hope that the panel will be created before the end of the current fiscal year.

The idea to set up a new advisory panel came up during talks among Murayama, Finance Minister Masayoshi Takemura, MITI Minister Ryutaro Hashimoto, and others on the evening of 6 February. At that time, it was unanimously agreed that the idea would be considered positively. The panel is to consist of former Finance Ministry and Economic Planning Agency officials and academics. It has been recommended that the panel be headed by Gaishi Hiraiwa, former chairman of the Federation of Economic Organizations of Japan. Minoru Nagaoka, former president of the Tokyo Securities Exchange, and others have also been suggested for panel membership.

There has been strong bureaucratic resistance to the program to reorganize and rationalize government-affiliated special public corporations. In addition, many Diet members with special interests who belong to the Liberal Democratic Party have protested bitterly, asserting: "What is necessary is not to merely think in terms of reducing the number of special public corporations, but also to conduct broad debate on such issues as the postal savings program, as well as how financial policies, including fiscal investment and loans program, ought to be reformed." Moreover, earthquake-related reconstruction projects have given certain new roles to such government-affiliated financial institutions as the JDB, the Small Business Finance Corporation, and the People's Finance Corporation. As a result, it has become extremely difficult for the government and ruling coalition parties to work out concrete plans for substantial reorganization and rationalization of these institutions.

For this reason, the government and ruling coalition parties plan to demonstrate to the people that they intend to review financial policies in their entirety by positioning the issue of reorganizing and rationalizing government-affiliated financial institutions as a "medium-to-long-term task" and creating a special advisory body directly under the prime minister. However, as may be expected because the planned advisory panel is not an official organization created in accordance with the National Government Organization Act, the panel has no binding power over government ministries and agencies. Consequently, many voices have been raised out of concern that "the panel's recommendations may be diluted, or things may not turn out as the panel recommends" (as stated by a senior ruling party official).

Government To Dismantle 14 Public Corporations

OW0802141395 Tokyo KYODO in English 1316 GMT 8 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 8 KYODO—The government plan to reorganize or abolish 14 of 92 publicly financed corporations as part of its administrative reforms, government sources said Wednesday [8 February].

The sources also said the privatization of Teito Rapid Transit Authority scheduled within 10 years is expected to be moved ahead.

The reform plan calls for the realignment of 12 public corporations and the abolishment and privatization of two others, including the Social Development Research Institute, they said.

The corporations to be reorganized will include Maritime Credit Corp., Railway Development Fund, Japan Private School Promotion Foundation, Livestock Industry Promotion Corp. and New Energy Development Organization, they said.

A decision on the reorganization of six government-funded financial institutions, including Japan Development Bank, has not been made due to strong resistance from the Finance Ministry, the sources said.

The other institutions include the Export-Import Bank of Japan, Hokkaido-Tohoku Development Corp., People's Finance Corp., Environment Sanitation Business Financing Corp. and Japan Finance Corp. for Small Business.

In addition, the government plans to privatize mutual aid fund for official casualties and retirement of volunteer firemen.

The government is expected to come up with its final plan Friday after Tsuruo Yamaguchi, director general of the Management and Coordination Agency, negotiates with cabinet ministers concerned.

Mongolia

Law on Currency Coordination Published

944M0005A Ulaanbaatar ARDYN ERH in Mongolian 7 Jun 94 p 2

[FBIS Translated Text] **Chapter One: General Statutes**

Article 1. The Purpose of the Law

The purpose of this Law is to determine the full powers of the appropriate state institutions in respect to currency coordination and to regulate relations between enterprises and citizens' currency operations, establishing control over currency and protecting the national currency of Mongolia from depreciation.

Article 2. Legislation on Currency Coordination

1. The Legislation on Currency Coordination includes the Constitution of Mongolia, this Law, and other acts of legislation issued in conformity with them.

2. If a procedure established in an international Mongolian treaty is different from that provided for by this Law, the instructions of international treaties are observed.

Article 3. Terminology of the Law

1. The term "currency" means the national currency of Mongolia, foreign currency, units of accounts used in payments in interstate trade and economic relations, monetary gold, and valuable items of currency.

2. The term "valuable items of currency" means circulating solvent Mongolian tugrik bank notes, securities and means of payment expressed in [the form of tugriks] and used in international payments and accounts.

3. The term "foreign currency" means circulating solvent banknotes of one or several foreign countries, securities and means of payment expressed in [the form of them] and generally used in interstate payments and accounts. According to accepted international norms, foreign currency is classified as freely-convertible and non-freely-convertible.

4. The term "monetary gold" means gold refined according to international standards and held in some international financial center and ready for conversion into foreign currency.

5. The term "valuable items of currency" means precious metals and precious stones equivalent to monetary gold.

6. The term "refined gold" means gold whose gold content has been increased and purified, but nevertheless does not meet the conditions of direct convertibility into currency.

7. Permanent resident participating in currency relations (henceforth "permanent resident") means:

7.1 an individual permanently residing in Mongolia who, although a permanent resident, travels abroad not longer than 183 days;

7.2 juridical persons, and their branches and representative offices abroad, formed in conformity with the laws and legislation of Mongolia and located in Mongolia;

7.3 diplomatic representative offices of Mongolia abroad.

8. Temporary resident participating in currency relations (henceforth "temporary resident") means:

8.1 an individual permanently residing outside Mongolia [but] who stays in Mongolia up to 183 days;

8.2 juridical persons, and their branches and representative offices in Mongolia, formed in conformity with the laws and legislation of foreign countries, not located in Mongolia;

8.3 diplomatic representative offices of foreign countries and international organizations, and their branches and representative offices located in Mongolia.

Article 4. Foreign Currency Reserves of Mongolia

1. The foreign currency reserves of Mongolia are held at the disposal of agencies with state powers and exchange banks, and include:

1.1 monetary gold held at banks and financial institutions of a foreign country;

1.2 freely-convertible foreign currency;

1.3 all kinds of securities freely redeemed and converted on foreign securities markets;

1.4 assets of valuable items considered as currency reserves on an international level other than ones indicated in points 1.1 and 1.2 of this paragraph.

2. Items indicated in paragraph 1 of this article, which are in state ownership, belong to foreign currency reserves which are at the disposal of institutions with state powers.

3. Foreign bare reserves of currency held at the disposal of Mongolia and institutions with state powers are defined by deduction of related short-term credits and deposits taken from abroad from the total amount of individual foreign reserves of currency.

Article 5. Mongolia's Currency Market and Exchange Rate

1. Currency exchange activities of empowered banks, exchanges, and brokering companies on the basis of demand and supply are called the currency markets of Mongolia.

2. Mongolbank establishes and publicly announces the exchange rate of the tugrik with regard to foreign currency by comparing [the exchange rate of the tugrik] with the exchange rate at a given time of some freely convertible foreign currency which is mainly used by a given country in foreign trade and which has a stable exchange rate on the basis of the exchange rate of foreign currency sold and bought by exchange banks on currency markets.

3. In the case of raising or lowering the tugrik's exchange rate by five or more percent with regard to foreign currency by means of the fluctuation of the exchange rate of the previous day, [Mongolbank] consults with the Prime Minister. If they do not reach an agreement, the president of Mongolbank makes a decision without hindrance.

4. Exchange banks establish their own exchange rate on the basis of the currency market's demand.

5. In budget and customs estimates, the exchange rate established by Mongolbank is used.

Chapter Two: Powers of State Agencies in Regard to Currency Coordination

Article 6. Powers of the State Great Hural

The State Great Hural exercises the following powers in regard to currency coordination:

1. to define state policy in regard to currency;

2. to consider Government credits and drafts of the balance of Mongolia's foreign payments;

3. to set the minimum of foreign pure reserves of currency that should be in state ownership;

4. to decide on putting refined gold that is in state ownership into currency circulation;

5. other powers provided for by the legislation.

Article 7. Powers of the Government

The Government effectuates the following powers in respect to currency coordination:

1. to take measures to increase sources of foreign currency and to improve the balance of payments;

2. to make up Mongolia's balance of foreign payments and to supervise its fulfillment;

3. to work out proposals concerning credits of the Government borrowed from abroad and their payments;

4. other powers provided for by the legislation.

Article 8. Powers of Mongolbank

Mongolbank effectuates the following powers in respect to currency coordination:

1. to coordinate and exercise currency operations on the state level;

2. to take measures to increase the state's foreign currency reserves;

3. to manage currency operations, foreign payments, and accounts within its competence on Mongolian and foreign currency markets;

4. to work out proposals on setting the minimum of foreign naked reserves of currency that should be in state ownership, to preserve and to invest it rationally and effectively;

5. to execute currency operations, foreign payments, and accounts of the Government;

6. to issue permits to permanent residents to make foreign payments and accounts, to manage operations with foreign cash currency, and to supervise the permits' fulfillment and to annul these permits;

7. to establish the procedure for issuing reports and bulletins on currency operations;

8. to submit composite reports on currency operations to the State Great Hural every season;

9. other powers provided for by the legislation.

Chapter Three: Currency Operations

Article 9. Currency Operations

1. Activities connected with the selling, buying, preserving, borrowing, transferring, investing, pledging, importing and exporting currency across state frontiers are called currency operations.

2. Banks carry out foreign currency operations along with national currency operations of equal volume.

3. The president of Mongolbank and the Minister of Finance jointly confirm the procedure for importing and exporting Mongolian national currency and non-freely-convertible foreign currency across Mongolia's frontiers and [the procedure for] using it in currency operations.

Article 10. Currency Operations Managed by Mongolbank

1. Mongolbank may buy currency and refined gold from banks, other enterprises, institutions and citizens of this country and of foreign countries for the purposes of increasing and coordinating Mongolia's foreign currency reserves.

2. Mongolbank sells foreign currency from the foreign reserves of currency which are at its own disposal for the purpose of stabilizing the tugrik's exchange rate.

Article 11. Currency Operations Managed by Exchange Banks and Their Rights and Duties

1. Exchange banks may manage the following activities of currency operations within the scope of the permit issued by Mongolbank:

1.1 managing activities of foreign payments and accounts without cash transfers;

1.2 selling and buying foreign currency in cash;

1.3 opening foreign currency accounts and managing operations on behalf of permanent and temporary residents;

1.4 extending credits and guarantees with foreign currency and managing other various kinds of work and operations of assets and liabilities

2. Exchange banks managing currency operations have the following duties:

2.1 to issue reports on currency operations in accordance with established procedure;

2.2 to carry out operations affecting the exchange rate of the tugrik with the permit of Mongolbank;

2.3 to provide confidentiality and reliability of clients' accounts;

2.4 to carry out foreign currency operations upon [the first] request of clients and to pay interest on their property's remainder.

3. Exchange banks themselves establish deductions imposed on foreign currency services. xx

Article 12. Foreign Currency Operations of Enterprises, Institutions, and Citizens

1. Only Mongolbank, through exchange banks authorized by it, carries out activities of buying, selling, borrowing, and transferring foreign currency by permanent and temporary residents indicated in points 7.2 and 7.3 of paragraph 7 of article 3 and in paragraph 8 of the same article of this Law.

2. If permanent residents indicated in points 7.2 and 7.3 of paragraph 7 of article 3 of this Law receive their income in foreign currency in cash or by means of payment not involving cash, they sell or put it into exchange banks authorized by Mongolbank in 60 days starting from the day when the original income was received.

3. Permanent residents indicated in point 7.2 of paragraph 7 of article 3 of this Law who manage services with foreign cash currency with the permit of Mongolbank, apart from being required to perform daily operations, sell or put foreign currency into banks in the corresponding period of time in accordance with the procedure established by Mongolbank.

4. Citizens of Mongolia and the permanent residents indicated in points 7.2 and 7.3 of paragraph 7 of article 3 of this Law are registered in the Ministry of Finance when they invest property abroad and are extended credits and aid.

5. Permanent and temporary residents draw up contracts on buying and borrowing foreign currency from exchange banks, selling and loaning it to banks and [draw up] credit guarantees in writing.

Article 13. Import and Export of Currency Across the Frontiers of Mongolia

1. Citizens of Mongolia, foreign citizens, and stateless persons may import currency across the frontiers of this state in amounts that are reported to customs organs in writing.

2. Permanent and temporary residents of Mongolia, foreign citizens, and stateless persons may export currency across the frontiers of this state in accordance with the following procedures:

a) [they may export] freely-convertible foreign currency bought from exchange banks that have the rights of foreign payments and accounts with written confirmation from the banks in question;

b) if they have transported [currency] from abroad, [they may export it] with a customs testimony confirming [the fact that it has been transported from abroad];

c) if they have inherited or received [the currency] as a gift, [they may export it] with the written confirmation of the notary offices of this state;

d) [they may export it] as provided for by the legislation of Mongolia.

3. Citizens of Mongolia, in cases when the amount of freely-convertible currency is not limited by law, may export it across the frontiers of this country in amounts declared at customs.

Article 14. Foreign Currency Credits, Payments, and Accounts

1. The Ministry of Finance keeps summary accounts of foreign credits and aid taken from foreign and international banks and financial institutions through the Government.

2. The Minister of Finance, with the permit of the Government, issues foreign credit guarantees taken under the auspices of the Government. the Government does not bear responsibility for payment of credits taken without the guarantee of the Government.

3. The Government may sell and lend through contracts, credit and aid assets borrowed from foreign and international banks and financial institutions, to Mongolbank, exchange banks granted rights of payment and accounts by Mongolbank, other enterprises and institutions.

4. In the credit contracts indicated in paragraph 3 of this article, the parties reflect mutual agreement on interest, term of payment, assignment, and responsibility to assume and so on.

5. Banks, other enterprises and institutions that use credits borrowed by the Government from abroad on every occasion form the sources of assets to repay the original loan and pay to the budget.

6. Enterprises of state ownership and primarily of state ownership borrow credits from abroad with the permit of the Ministry of Finance. Other enterprises, institutions, and citizens of Mongolia register their currency credits borrowed from abroad at Mongolbank.

7. Foreign payments to be made with budget financing are carried out only with the permit of a given financial institution.

8. The Ministry of Finance carries out currency operations, foreign payments, and accounts of the Government through banks.

9. Permanent and temporary residents may have foreign currency accounts in exchange banks which have been given the rights of foreign payments and accounts by Mongolbank, and in branches of foreign banks located on the territory of this country.

Chapter Four: Controls To Establish Over Currency Operations

Article 15. Institutions Establishing Controls

The Government and Mongolbank establish control over currency operations by enterprises and institutions in accordance with their own powers.

Article 16. The State Inspector of Currency Controls

1. The State inspector general, the senior State inspector, and the state inspectors implement currency controls.

2. The State inspector general of currency controls is the president of Mongolbank and the senior State inspector is the vice president of Mongolbank managing currency problems.

3. The State inspector general appoints state inspectors of currency controls.

Article 17. Duties of Institutions of Currency Control and Powers of State Inspectors

1. Mongolbank has the following basic duties:

a) to verify the fulfillment of the Legislation on currency coordination by citizens, enterprises, and institutions, regardless of the type, form, and citizenship of ownership;

b) to verify information related to currency operations;

c) to verify the authenticity of registers, reports, and bulletins concerning activities of currency operations, foreign payments, and accounts;

d) to verify the observance of the acts of rights issued by empowered institutions in conformity with the Legislation on currency operations.

2. On the grounds provided for by international contracts and the laws of Mongolia, the Government establishes control over the use and expenditure of currency that is at its own disposal, and carries out this control through the Ministry of Finance.

3. The state inspectors exercise the following powers in addition to carrying out currency control duties:

a) to consider information related to currency operations, foreign payments, and accounts, to have copies made of receipts of bulletins, characterizations, explanations and demands from related officials and citizens;

b) to control currency operations, payments, and accounts, to compile acts on the results of verifications, and to provide their fulfillment. Acts of state inspectors enter into force by approval of the State inspector general or the senior State inspector of currency control. Related officials and citizen have their signatures affixed to the act. If they do not accept the act, they submit an explanation;

c) to require the resolution of violations revealed [by the verifications] within a set deadline;

d) to make persons who have not fulfilled the demands and who have violated the Legislation bear the administrative responsibility provided for by the Law;

e) in cases of violation of the Law's instructions, to advance proposals to the State inspector general for the annulment of permit to carry out foreign payments and accounts and to manage currency operations;

f) if the violation of the Legislation on Currency Coordination has indicia of crime, to perform enquiry on information to transfer it to the investigative organs.

4. A State inspector of currency control is obliged to keep the confidentiality of the currency assets and trade of citizens, institutions, banks, and other enterprises revealed in the course of control established over currency activities.

5. When officials of the organs of currency control have not exercised their duties in a proper way, they bear the responsibility provided by by the Legislation.

6. Disputes over the currency operations of enterprises, institutions, and citizens are resolved in court.

Article 18. Responsibility To Be Borne by Violators of the Legislation

1. If the following actions of the individuals and officials indicated in point 7.1 of paragraph 7 of article 3 of this Law and point 8.1 of paragraph 8 of the same article of the Law do not have indicia of crime, the following administrative penalties are imposed on them:

a) if the instructions of paragraphs 2 and 4 of article 12 of this Law are violated, to impose a fine of 5,000-25,000 tugriks;

b) if the instructions of points 2.3 and 2.4 of paragraph 2 of article 11 and the instructions of paragraph 3 of article 12 and of paragraph 6 of article 14 of this Law are violated, to impose a fine of 20,000-25,000 tugriks;

c) if the instructions of point 2.2 of paragraph 2 of article 11 and of paragraph 1 of article 12 of this Law are violated, and also if activities indicated in paragraph 1 of article 11 of this Law are carried out without the permit of Mongolbank or outside the scope of the permit issued, to confiscate the illegally-obtained income or property and to impose a fine of 15,000-25,000 tugriks.

2. Damage caused in the cases not involving violation of the Legislation on Currency Coordination is compensated by the guilty persons in accordance with the Legislation.

Article 19. The Law's Entry Into Force

This Law enters into force from the 1st of June, 1994.

Chairman of the Great Hural of Mongolia
[Signed] N. Bagabandi
[Dated] May 12, 1994, City of Ulaanbaatar

North Korea

Daily: Framework Accord, N-S Dialogue Differ

SK0902051495 Pyongyang KCNA in English 0431 GMT 9 Feb 95

["Far-Fetched Argument of U.S. Conservatives"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—Some U.S. conservatives are now claiming that if the framework agreement between the Democratic People's Republic of Korea and the United States is to be implemented smoothly, "the resumption of inter- Korean dialogue is indispensable" and the improvement of bilateral relations between the U.S. and the DPRK should be geared to "inter- Korean dialogue."

Commenting on this, an analyst of NODONG SINMUN today says:

The implementation of the DPRK-U.S. framework agreement is one thing and inter-Korean dialogue is quite another. The framework agreement is a thing that should be implemented by the DPRK and the U.S. and it is aimed at a solution to the nuclear issue in the Korean peninsula and the normalization of the DPRK-U.S. relations, not at the resumption of inter-Korean dialogue.

It is preposterous to try to put the implementation of the agreement and the resumption of dialogue on the parallel lines.

North-South dialogue is a thing that we should have by our decision and on our judgement. It is not an issue which can be resolved by the coercion of a third party.

The U.S. conservatives, however, are putting pressure on us to resume North-South dialogue, connecting it with the implementation of the framework agreement. This is a very arrogant act which hurts our self-respect and dignity.

Such an act of theirs is also contrary to the spirit of the framework agreement. The agreement stipulates that North-South dialogue shall be held as this agreement will help create an atmosphere that promotes such dialogue. Has such an atmosphere been created now? Never!

The framework agreement was adopted while the DPRK and the U.S. were in belligerent relationship. So it is not based on mutual trust but needs verification. The U.S. side, too, admits this. The first step has just been taken in the implementation of the DPRK- U.S. framework agreement. First of all, a radical progress must be made in the negotiations concerning the designation of a country from which light water reactors will be introduced, that is the mainpoint of the agreement.

The DPRK and the U.S. are now at the inception of mutual verification. The verification has not yet been brought to a conclusion and an atmosphere for promoting dialogue through the implementation of the agreement is not ripe.

It is nonsensical to demand the implementation of the DPRK-U.S. framework agreement and the resumption of North-South dialogue" [quotations as received] in parallel at the present juncture.

Should the U.S. conservative hardliners persistently insist on their demand, the implementation of the agreement would have to go through rough storms and, further, it would cause a grave situation.

We will never accept their unreasonable demand. It is the unswerving position and will of ours that when the U.S. does one thing, we do the same in the implementation of the agreement.

The U.S. conservative hardliners must not have a misunderstanding of the DPRK but refrain from acts contradictory to its sovereignty and the implementation of the agreement.

Commentary: N-S Dialogue 'Internal Problem'

SK0902050595 Pyongyang KCNA in English 0440 GMT 9 Feb 95

["S. Korean Authorities Advised Not To Beg For Other's Help"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—The South Korean authorities engaged in solicitation diplomacy over the issue of resuming the North-South dialogue declared that it was their "principle" to improve the inter-Korean relations in parallel with the DPRK-U.S. relations. This is a criminal act to fool the nation and mislead public opinion, and this makes it self-evident that they are not an independent dialogue partner of the North.

This is declared by a NODONG SINMUN commentary today.

The analyst says:

The North-South dialogue is an internal problem of the nation, to all intents and purposes. It is not an issue, by nature, which should and can be solved with other's help. Nevertheless, the Kim Yong-sam group is soliciting others' help in the issue of dialogue between the fellow countrymen and tries to solve it with other's help. This is a rash act of those who are bereft of reason and an anti-national act of flunkeyist traitors who are stepped to narrow in the idea of dependence upon outside forces.

The Kim Yong-sam group long ago lost its qualification to talk about the resumption of dialogue. It revealed its indifference to the inter-Korean dialogue when it turned down the proposal for holding a grand reunification festival and a grand national conference on the occasion of the 50th anniversary of the liberation of the country. Yet it is soliciting the help of outside forces, pretending to be interested in the resumption of the inter-Korean dialogue. This is motivated by a sinister intention to obstruct the implementation of the DPRK-U.S. agreed framework by inventing a new pretext today when the agreement has entered the stage of implementation.

If the South Korean rulers are truly willing to resume the inter- Korean dialogue, they must not ask for other's help but begin with creating an atmosphere for dialogue between the fellow countrymen.

They must, first of all, apologize in explicit terms for their heinous anti-ethical acts in abusing the misfortunes of the fellow countrymen in the North for their sinister political purpose. And they must show their sincere approach to the inter-Korean dialogue by scrapping such anti-dialogue, anti-reunification laws as the notorious "National Security Law" defining the dialogue partner as the "enemy".

It is our consistent stand to solve the issue of the country's reunification independently through dialogue and negotiation.

Out of the desire to create a favourable condition for dialogue at any cost under the present situation in which all the North-South dialogues have broken down, the North took constructive and epochal measure of initiating a grand reunification festival marking the 50th anniversary of the liberation of the country and proposing a bilateral and multilateral negotiations to realize it. So, the South Korean authorities must not do any act hindering the successful holding of the grand reunification festival.

Whether the inter-Korean dialogue is resumed, or not, entirely depends upon the attitude of the South Korean authorities.

U.S. Human Rights Report on ROK Welcomed

SK0902050495 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 6 Feb 95

[Commentary by Yun Pyong-son: "The National Security Law is Rejected Even by the Master"]

[FBIS Translated Text] According to reports, on 1 February, the U.S. State Department exposed through its annual report on human rights, that the National Security Law is still in effect in South Korea and that labor movements are still restricted.

Regarding the report, the South Korean puppet Foreign Ministry spokesman gave a poor excuse on 2 February that the revision or abolishment of the National Security Law is an internal issue. Then, the rascal continued to rave that in a situation where the North and the South continue to confront one another, the National Security Law is the minimum device to protect the liberal democratic system, and that the application of the National Security Law will be strictly controlled in the future so that it will not be used as a means to infringe upon human rights.

This means the National Security Law—the antireunification fascist evil law—will not be abolished but maintained, viciously challenging the just demand of the people at home and abroad.

As everyone knows, the National Security Law is a relic of the era of military dictators who devoted themselves to fascist rule and promotion of confrontation between the North and the South. The National Security Law, which defines the northern half of the Republic and compatriots in the north as an antinational group, is an evil, antireunification and antinational law that counters reunification, blocks dialogue, and opposes the improvement of North-South relations. It is also a uniquely evil, fascist law that suppresses South Korean forces longing for independence, democracy, and reunification, infringes upon the democratic rights of the people, and legalizes terrorism, massacre, arrest, and execution of political rivals.

This is why many people in South Korea, along with many countries of the world and international organizations, strongly demand the abolishment of the National Security Law.

It was fair [chongdang] for the United States to openly demand the abolishment of the National Security Law in South Korea last year, and the annual report on human rights again points out that the law has not been abolished, but abused.

These facts show that the abolishment of the National Security Law is a demand of the times that can no longer be delayed. Nevertheless, the Kim Yong-sam ring is raving about some confrontation situation between the North and the South, and continues to avoid abolishing the evil law.

As for the confrontation between the North and the South, it is caused by the Kim Yong-sam ring. It was the South Korean puppets who wielded the sword at the misfortune of the compatriots and drove the situation to extreme tension. It is none other than the Kim Yong-sam ring that is opposing our fair proposal of reunification under the confederal system and staging a war commotion while heightening the confrontation between the North and the South.

The puppets' raving about the confrontation situation between the North and the South is a mere excuse for not abolishing the National Security Law. It is a shameless act [paryomchihan hengwi] for the puppets to describe the National Security Law as a device to protect some liberal democratic system and to rave that they will ensure that the law is not used as a means to infringe upon human rights in future. As long as the infamous National Security Law exists, the trampling upon human rights will never disappear from South Korea.

Facts show that the Kim Yong-sam ring is attempting to keep the National Security Law intact, continue to pursue confrontation between the North and the South, and strengthen the fascist dictatorship.

Some time ago, the traitor Kim Yong-sam raved about the reconciliation and cooperation of the North and the South. We cannot but question how on earth we can cooperate and reconcile when the National Security Law impedes the road of reconciliation and cooperation between the North and the South. The Kim Yong-sam ring should first abolish the National Security Law before paying lip service to reconciliation, cooperation, and reunification. The National Security Law should have been abolished long ago for its illegal fabrication, reactionary character, and rude application. It is anachronistic and intolerable for such a uniquely evil law to still exist in South Korea today. The National Security Law no longer has any grounds for existence. It should be abolished without delay.

If the Kim Yong-sam ring continues using the National Security Law as a means to maintain power and block reunification and continues to run counter to the demand of the times and the aspiration of the people, the rascals will face increasing resistance from the people and will bring about its own downfall.

Remarks by ROK Defense Minister Denounced

SK0902102095 Pyongyang KCNA in English 1011 GMT 9 Feb 95

["Bellicose Utterances of S. Korean Puppets"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—Yi Yang-ho, "minister of defence" of South Korea, when "interviewed" by SEOUL SINMUN on February 6, let loose a war blast, blaring that the South Korean puppet army "is watching the North round the clock with a perfect defence posture" and "keeps the reinforcing combat power ready for action in an event of contingency".

This bellicose outburst is all the more grave because it came at a time when the puppets were begging their master for the resumption of the "Team Spirit" joint military exercises this year.

This fully proves that the South Korean war-thirsty elements still hate the implementation of the DPRK-U.S. agreed framework and are bent on rendering the situation on the Korean peninsula strained.

The Kim Yong-sam warlikers are now carrying the situation on the Korean peninsula to a phase of crisis, intensifying war exercises jointly with outside forces against fellow countrymen and committing military provocations in the Demilitarized Zone almost every day. It is ridiculous of these warmaniacs to volubly talk about "dialogue" and "cooperation".

The puppets' outcries for "dialogue" are no more than a ruse to conceal their confrontational stance. Yi Yang-ho made this plain when he cried that only when "a strong military capacity is maintained, can South-North talks be held".

To connect "strong military capacity" with "South-North talks" is as good as offering a hand-shake with a dagger in one's belt.

If the Kim Yong-sam group continue seeking North-South confrontation, it will invite bitterer denunciation at home and abroad and precipitate their own doom.

Contact To Discuss Comfort Women Issue Proposed

SK0902083395 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 8 Feb 95

[FBIS Translated Text] On 8 February, a spokesman for the Committee of Compensation Measures for War Comfort Women and Victims of the Pacific War issued a press statement in connection with the fact that the South Korean Council for Measures for Comfort Women invited our delegation to the third meeting for Asian solidarity on the question of war comfort women to be held in Seoul.

The press statement discussed the fact that South Korea's countermeasure council invited our delegation to the third meeting for Asian solidarity on the question of war comfort women to be held in Seoul this year on the 50th anniversary of the fatherland's liberation, adding: We acknowledge that the third meeting for Asian solidarity on the question of the war comfort women is being convened at a very opportune time for the North and South to map out joint countermeasures to expose and condemn the brutal atrocity of the Japanese imperialists who committed inhumane criminal acts—including the question of war comfort women, which has remained unsolved for half a century since the war—and to receive compensation for the damage done and to prevent such a thing from happening again.

This year, which marks the 50th anniversary of the end of World War II, we hold that the Japanese Government should, without fail, clearly liquidate the past by apologizing and making due compensation for the inhumane barbarous acts inflicted upon the Korean people, including the question of the war comfort women. On the basis of this position, we admit that it is very important for the women of the North and South to carry out joint activities against Japan with a view to exposing Japan's past crime and receiving compensation for the damage done on the 50th anniversary of the fatherland's liberation. From our side, we will send a delegation of the DPRK's countermeasure committee, including former war comfort women—the direct party concerned—to the third meeting for Asian solidarity on the question of the war comfort women.

In this connection, we propose that the two sides hold a contact to discuss necessary business-like procedures at a convenient place at an early date, expecting that there will be an affirmative response.

North Delegation Plans To Attend Forum in Seoul

SK0902104395 Pyongyang KCNA in English 1029 GMT 9 Feb 95

["Delegation Will Be Sent to Seoul"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—The North will send a delegation of the measure committee for demanding compensation to "comfort women for the army" and the victims of the Pacific war including former "comfort women for the army", the direct victims, to the third Asian solidarity conference on the issue of the "comfort women for the army" to be held in Seoul.

This was declared by a spokesman for the measure committee in a statement on Wednesday concerning the invitation extended by the South Korean measure council on the issue of volunteer corps to a North's delegation to participate in the conference slated in Seoul this year marking the 50th anniversary of the liberation of the country.

The spokesman said the conference is to be held at a proper time for exposing and denouncing the brutal atrocities of the Japanese imperialists in committing inhumane crimes including the "comfort women" issue and taking a joint action of the North and the South to get compensation and prevent the recurrence of such acts.

The Japanese Government, he said, must not fail to clearly atone for the past crimes by apologizing and making adequate compensations for the inhuman brutalities against the Korean people including the "comfort women" issue, this year which marks the lapse of 50 years since the end of the Second World War.

Noting the weighty importance of women in the North and the South taking a joint action toward Japan in exposing its past crimes and pushing the demand for compensations on the occasion of the 50th anniversary of the liberation of the country, the spokesman proposed to have a contact for discussing necessary practical and procedural matters at an early date at a convenient place for both sides and expressed the hope for an affirmative response.

Groups Send Letters to ROK Organizations

SK0902104795 Pyongyang KCNA in English 1021 GMT 9 Feb 95

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—Chong Tu-hwang, presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, Choe Yong- hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, the Central Committee of the Korean Roman Catholics Association and Pak Tae-ho, chairman of the Central Committee of the Korean Buddhist Federation, sent letters on February 8 respectively to Kim Sung-kyun, general director of the Council for Non-Governmental Exchange Between South and North; and So Kyong-sok, secretary general of the Citizens Federation for Economic Justice; Yu Ki-hong, chairman of the South Korean Council of Democratic Youth Organisations; Cardinal Kim Su-hwan, chairman of the Standing Committee of the Central Council of Roman Catholics; and Choe Chi-son, permanent chairman of the National Federation of Buddhist Movement of South Korea, with regard to the recently held joint meeting of the political parties and organisations of the Democratic People's Republic of Korea.

If the 50th anniversary of the national liberation is jointly and grandly celebrated and a grand national conference is held on this occasion to confirm the way of the reunification of the country common to the nation, it will demonstrate the nation's will for reunification and united strength and make a breakthrough in reunification in the 90s, the letters said, hoping for meeting with officials of different organisations of South Korea to this end.

The letters said it would be good to designate Panmunjom or other appropriate places demanded by different organisations as the venue of contacts.

Seminar on Global Independence Held in Denmark

SK0902113795 Pyongyang KCNA in English 1057 GMT 9 Feb 95

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—Edmond Jouve, vice-director general of the International Institute of the Chuche Idea and president of the Council of the European Society for the Study of the Chuche Idea, delivered a report titled "Global Independence and Man-Centred Idea" at an international seminar on the chuche idea for global independence held in Copenhagen on February 4 and 5 on the occasion of the birthday of the great leader Comrade Kim Chong-il.

Referring to the worsening crisis of contemporary imperialism, the reporter said that the crisis is getting worse as capitalist society itself is getting rotten and morbid from within.

He noted that the only way out for humanity is to build an independent world based on the idea of independence, peace and friendship. Such is a world which fully meets man's nature of independence, a world which guarantees his value and dignity, he added.

Turning to the ripening subjective and objective factors of global independence, he said:

If the world is to be made independent, it is imperative, on one hand, to create material objective conditions necessary for making the international relations independent and democratic and, on the other hand, to prepare the main forces which are capable of destroying the old world order and establishing a new equitable one.

The reporter dwelt on the man-centred idea and the basic method of global independence. He said:

The chuche idea, a man-centred idea, shows the way for man to shape his destiny on the basis of clarification of the position of man as the master of the world and his decisive role in transforming and developing the world.

The "kingdom of independence" depicted by the chuche idea as an ideal is a truly man-centred society where all members of society, as equal masters of the state and society, lead an independent and creative life sharing the socio-political integrity of the immortal community free from all manner of domination, subjugation, exploitation and oppression.

In order to make the world independent, it is important to arm all peoples of all countries with the man-centred idea and set up an international political order which makes it possible to overcome the aftereffects of the policy of strength and the Cold War and to ensure peace. It is also important to replace the unfair world economic order based on neo-colonialism by a reasonable one.

The reporter pointed out that the works of the great leader Comrade Kim Chong-il are a library and textbook of the chuche idea.

He continued:

The dear leader Kim Chong-il is constantly developing in depth the chuche idea authored by respected President Kim Il-song in accordance with the requirement of the present times and making it perfect as the great guiding ideology of the age of independence.

The works of the dear leader Kim Chong-il not only carry the rich experience of the Korean people who are successfully building people-centred socialism by strengthening the driving force of the revolution and by enhancing its role but also give profound answers to the important theoretical and practical questions arising in making the world independent and democratic at present.

In particular, "Socialism Is a Science", the treatise published by the dear leader Kim Chong-il on November 1 last year, is a great historical work which has systematized the ideas on the essence and superiority of people-centred socialism on the basis of the man- centred philosophical principle.

The chuche idea researchers and the chuche idea study organisations should make a deep study of the works of President Kim Il-song and the dear leader Kim Chong-il keeping in mind that the ideology of the dear leader Kim Chong-il is the development of President Kim Il-song's ideology and should disseminate the chuche idea with the main stress on the works of the dear leader Kim Chong- il.

The chuche idea researchers and study organisations should have close relations and cooperate with all the progressive political parties and social organisations that aspire after democracy, socialism, social progress and peace.

The noble cause of the building of a new independent world will surely be consummated as it accords with the unanimous desire of the world's people and with the main trend of human history, the reporter stressed.

Hwang Chang-yop Reads Message

SK0902112895 Pyongyang KCNA in English 1044 GMT 9 Feb 95

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—The international seminar on the chuche idea fmr global independence was held in Copenhagen over February 4-5 to mark the birthday of the great leader Comrade Kim Chong-il.

Participating in the seminar were General Secretary of the Central Committee of the New Communist Party of Great Britain Eric Trevett, Chairman of the Central Committee of the Belgian Labour Party Ludo Martens, Chairman of the For Peace and Socialism - the Communist Workers' Party of Finland Timo Lahdenmaki, General Secretary of the Workers' Party of Ireland Pat Quearney, General Secretary of the Movement for Peace and Socialism of Italy Roberto Gabriele, General Secretary of the Central Committee of the All- union Communist Party of Bolspeviks Nina Andreyeva, First Secretary of the Russian Communist Workers' Party Victor Tyulkin, Chairman of the Central Committee of the Communist Party of Germany Werner Schulewese, Chairman of the Danish Workers' Party, Common Cause Preven Moller Hansen, Chairman of the Communist Party of Denmark (Marxist-Leninist) Klaus Riis, Chairperson of the Communist Party of Denmark Betty Frydensbjerg Carlsson, Chairman of the National Executive Committee of the Polish League of Communists "Proletariat" Zbigniew Wiktor, Secretary General of the Asian Regional Institute of the Chuche Idea Govind Narain Srivastava who is director of the Board of the International Institute of the Chuche Idea, Chairman of the Finnish National Committee for the Study of the Chuche Idea Pekka Rantala and leaders, delegations and delegates of other parties, delegations and delegates of social organizations and chuche idea study groups and academic figures and men of the press of different countries.

The participants in the seminar paid a moment's silent tribute to the memory of the great leader President Kim Il-song at the proposal of Shuhachi Inoue, director general of the International Institute of the Chuche Idea.

Congratulatory speeches were made by figures of different countries and messages of greetings from political parties and chuche idea study organizations in various countries were conveyed.

Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK] and head of the

WPK delegation, read a message of greetings sent in joint name by the WPK Central Committee and the Central People's Committee of the Democratic People's Republic of Korea at the seminar.

Edmond Jouve, vice-director general of the International Institute of the Chuche Idea and president of the Council of the European Society for the Study of the Chuche Idea, made a report on the subject "Global Independence and Man-Centred Idea," which was followed by speeches.

The reporter and speakers said that the chuche idea founded by the great leader President Kim Il-song is the idea indicating the road ahead of the world progressive people for the accomplishment of the cause of global independence.

Noting that the dear leader Comrade Kim Chong-il, basing himself on the chuche idea, expounded the essence of socialism and the law governing its development to be the first in history to complete a doctrine of socialism corresponding to the nature of man, they capled for an active application of the immortal chuche idea to the the cause of global independence.

The famous work of Comrade Kim Chong-il "Socialism Is a Science" and the report at the seminar, "Global Independence and Man-Centred Idea", were adopted as official documents of the seminar.

A letter to Comrade Kim Chong-il was adopted at the seminar.

Letter Sent to Kim Chong-il

SK0902105495 Pyongyang KCNA in English 1035 GMT 9 Feb 95

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—The great leader Comrade Kim Chong-il received a letter from the participants in the international seminar on the chuche idea for global independence.

The letter dated Feb. 5 says:

"The participants in the seminar expressed deep condolences with the bitterest grief at the death of respected President Kim Il-song and confirmed that the feats he performed with his tireless efforts throughout his life in accomplishing the human cause of independence will remain forever."

"'Socialism Is a Science' published by you Comrade Kim Chong-il last year became a firm foundation in discussing the pressing issues raised by the present era at the seminar and served as the correct guideline, which raised the ideological and theoretical level of the seminar."

"The seminar gave a firm faith that the chuche idea, the man- centred idea, is the only correct idea in leading the masses of the people to building an independent and prosperous, new world."

The letter expresses the resolution to discharge their noble mission and duty for the times and history by effecting innovation in disseminating, studying and applying the chuche idea, holding in high esteem as a great teacher of humankind Comrade Kim Chong-il who has fully personified the thought and traits of respected President Kim Il-song.

It lays stress on more powerfully conducting the international solidarity campaign to determinedly defend Korean-style socialism, a fortress of the socialist cause, the human cause of independence, and to support the Korean people in their efforts for the independent reunification of the country.

The letter wholeheartedly wishes the dear leader Kim Chong-il a long life in good health.

Kim Chong-il Visits Artillery, Naval Units

SK0902111495 Pyongyang KCNA in English 1102 GMT 9 Feb 95

["KPA Supreme Commander Inspects Forefront Unit, Naval Unit"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], inspected Naval Unit 155 of the KPA on February 6, a day after he inspected the women's coast artillery company of Unit 291 on the forefront.

He acquainted himself with the arms equipment of the units and expressed deep satisfaction over their growth to be each-a-match- for-a-hundred units capable of repulsing any invasion of the enemy at one stroke.

Overwhelmed with joy and emotion at the fact that General Kim Chong-il, the supreme commander, clearly indicated the road to be followed by the units, the soldiers are now resolved to defend the outposts of the motherland with their lives, true to the militant tasks set by him.

Greeted by Generals, Admiral

SK0802225095 Pyongyang KCNA in English 2132 GMT 8 Feb 95

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—The great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defense Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], inspected Naval Unit 155 of the Korean People's Army on February 6.

The flag of the supreme commander, the naval flag, pennants and bunting were flying on the battleships and sailors were lined up on the decks, their ribbons fluttering in the wind.

Comrade Kim Chong-il was greeted at the wharf by Generals Yi Ha-il, Yi Pong-won and Kim Myong-kuk and

Admiral Kim Il-chol, who are members of the Central Military Commission of the Workers' Party of Korea, and Colonel Generals Kim Ha-kyu and Pak Chae-kyong, Vice Admiral Kim Ki-hak, and the commander of the fleet and its commanding and political officers.

Sailors presented bouquets of fragrant flowers to Comrade Kim Chong-il, carrying deep respect and reverence of all the naval officers and men of the KPA while the slogan "Let Us Become the Lifeguards and the Shock Brigade on the Sea Defending the Respected Supreme Commander!" and cheers of hurrah burst forth from battleships.

Comrade Kim Chong-il, conducted by the commander of the fleet, got on a battleship.

Seeing the exterior and interior of the battleships, Comrade Kim Chong-il acquainted himself with their arms equipment and encouraged the sailors. He expressed deep satisfaction over the growth of the unit to be each-a-match-for-a-hundred unit capable of repulsing any invasion of the enemy at one stroke.

He made a round of the ship Kaeson which has glorious historical records telling that the great leader President Kim Il-song took it when he was returning home in triumph and, later, visited it several times.

While being briefed on the historical record by the commander of the ship, he went round the forecastle deck, the sitting room and cabins where President Kim Il-song had stayed and looked back with deep emotion on the proud course followed by the ship.

Comrade Kim Chong-il told the commanding officers of the ship to take good care of the ship Kaeson and actively use it in educating the Korean people and soldiers, because it is a significant historic ship which has left an immortal trace in the history of the navy of Korea.

He had a picture taken with the commanding officers and men of the unit.

Soldiers Full of 'Determination'

SK0802232595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 Feb 95

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], inspected Naval Unit 155 of the KPA.

The great leader [yongdoja] of our party and our people, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA, inspected Naval Unit 155 of the KPA on 6 February.

The flag of the supreme commander, the Navy flag, the party flag, and decorative flags were flying on the combat vessels [chontuham], and the soldiers were lined up on the deck, fluttering their ribbons.

The respected and beloved supreme commander Comrade Kim Chong-il arrived on the spot at 0930 [0030 GMT 6 February]. KPA Supreme Commander Comrade Kim Chong-il was greeted at the pier by Generals Yi Ha-il, Yi Pong-won, Kim Myong-kuk, and Admiral Kim Il-chol, members of the Central Military Commission of the Workers Party of Korea; KPA Colonel Generals Kim Ha-kyu and Pak Chae-kyong; Vice Admiral Kim Ki-hak; and the commander, commanding officer, and political functionaries of the naval fleet [hamdae].

Along with the slogan, "Let's become the lifeguards and shock brigade of the sea to safeguard the respected and beloved supreme comrade commander," and cheers of "hurrah," on the combat vessels, the soldiers presented fragrant flowers to supreme commander Comrade Kim Chong-il, to show the deep respect and reverence of the entire officers and men of the Navy of the KPA.

Comrade Kim Chong-il got on the combat vessel while being guided by the commander of the fleet. When the whistle of the naval vessel [hamson] resounded, the commanding officer of the combat vessel gave a welcoming report to the supreme comrade commander.

Comrade Kim Chong-il looked over the exterior and interior of the combat vessels, became acquainted with the situation of the weapons and equipment, encouraged the soldiers, and expressed great satisfaction over the fact that the unit grew up to become a one-a-match-for-100 armed forces that can defeat any enemy's invasion in a single blow.

Comrade Kim Chong-il inspected the ship Kaeson, which has a record of glorious historical exploits such as of the great leader [widaehan suryong] riding it when he triumphantly returned to the fatherland right after liberation and his numerous subsequent visits since then.

Comrade Kim Chong-il got on board the Kaeson and received a briefing on its historical records from the commanding officer of the naval vessel. Then he looked over the forecastle deck, the sitting room, and cabins where the fatherly leader stayed, and reminisced over the proud course which the naval vessel had taken.

Comrade Kim Chong-il told the commanding officers of the naval vessel that since the Kaeson is a historic ship of significance that left immortal traces in the naval history of our country, it must be managed well so that it is actively used in indoctrinating our people and soldiers.

On this day, Comrade Kim Chong-il took a picture with the commanding officers and soldiers of the unit.

The soldiers of the fleet are not able to refrain from great happiness and emotion over the fact that the respected and beloved Supreme Commander Comrade Kim Chong-il, whom they admire while asleep or awake, came to inspect the combat vessel and naval vessel that are full of glorious historical exploits and elucidate the future road of the KPA Navy. They were also full of blazing determination to safeguard the fatherland's sea by devoting their lives by highly upholding the militant task given by the Supreme Commander General Kim Chong-il.

Kim Il-song Published 'More Than 1,860' Works

SK0802151995 Pyongyang KCNA in English 1504 GMT 8 Feb 95

[FBIS Transcribed Text] Pyongyang, February 8 (KCNA)—It is seven months since the great leader President Kim Il-song passed away.

Feeling more ardent yearning for him with the passage of days and months, the people look back with deep emotions on the tireless ideological and theoretical activities conducted by him in his lifetime.

President Kim Il-song, the most distinguished thinker and theoretician of the present era, founded the chuche idea and had made undying contributions to the development of human thoughts with his unique ideological and theoretical activities.

Highly important reports, speeches, concluding addresses, talks, answers and treatises which were written and published by him from the period of his early revolutionary activities number more than 1,860.

Comprehensively consummated in his works are the immortal chuche idea, and revolutionary theories and leadership method based on it.

"The Path of the Korean Revolution," "On the Korean People's Struggle To Apply the Chuche Idea", "Let Us Uphold Independence" and other works give scientific answers as to the background of the founding of the chuche idea, its universal truth and the guiding principles of the revolution and construction to which it is applied.

Numerous are works indicating ideas and theories, lines and policies of the building of a revolutionary party and its activities.

"THe Organizational and Ideological Consolidation of the Party Is the Basis for Our Victory," "Historical Experience of Building the Workers' Party of Korea" and other works contain ideas and theories put forward by the president while wisely leading the work of strengthening and developing the Workers' Party of Korea into a revolutionary party of chuche type.

His works give scientific answers to the question of resolutely defending and upholding the glorious revolutionary traditions of the party and successfully developing them, the question of building a chuche-based government and the fundamental question of successfully accelerating the socialist construction.

Typical of the works are "Let Us Further Strengthen the Socialist System of Our Country", "Tasks of the People's Government in Modelling the Whole of Society on the Chuche Idea", "On Introducing New Systems of Economic Management", "Theses on the Socialist Rural Question in Our Country" and "For the Complete Victory of Socialism".

There are many works which set forth the idea and policy of chuche-based army building and indicate tasks and ways of increasing the defence capabilities of the country and the way of national reunification.

"Let Us Shatter Imperialist Moves Towards Aggression and War and Safeguard Peace and Independence" and other works indicate the challenging tasks and strategic and tactical policies for defending the cause of socialism and accelerating global independence.

Hong Song-nam Speaks at Chongsan-ri Meeting

SK0802135695 Pyongyang Korean Central Broadcasting Network in Korean 0803 GMT 7 Feb 95

[Speech by Hong Song-nam, alternate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council, at the central report meeting marking the 35th anniversary of the creation of the Chongsan-ri spirit and Chongsan-ri method by Kim Il-song held at the People's Palace of Culture in Pyongyang—live]

[FBIS Translated Text] Comrades: Today we significantly commemorate the 35th anniversary of the creation of the Chongsan-ri spirit and Chongsan-ri method by the great leader Comrade Kim Il-song when all the people of the entire country are vigorously waging the socialist general march, upholding the party's militant appeal, to glorify the 50th anniversary of the founding of the Workers Party of Korea [WPK] as a great festival of victors and to make our country and our fatherland even richer and stronger.

All the people greeting this anniversary warmly look back with deep emotion and boundless gratitude to the historic days when the great leader Comrade Kim Il-song himself created the Chongsan-ri spirit and Chongsan-ri method, visiting Chongsan-ri—the most typical unit of the rural area of our country—traveling on a snowy road, staying there for as long as 15 days, 35 years ago in February 1960.

The creation of the Chongsan-ri spirit and Chongsan-ri method by the great leader Comrade Kim Il-song, who devoted his all to the people throughout his life, having the belief in the people as in heaven as his lifelong motto, was a historic event of great significance in the development of our revolution and in the acceleration of our people's cause of socialist construction. [applause]

Initiating the march for the new year converting the pain of the great loss they suffered from the abrupt passing of the respected and beloved leader Comrade Kim Il-song into a hundred- and thousand-fold strength and courage, our people are firmly determined to vigorously accelerate the cause of the chuche revolution more rigorously applying the Chongsan-ri spirit and Chongsan-ri method provided by the great leader, with ever-increasing adoration and boundless reverence for the fatherly leader.

Comrades: The Chongsan-ri spirit and Chongsan-ri method, created by the great leader Comrade Kim Il-song, is a great guiding idea and guiding method on leading the masses, which our party consistently applies in carrying out the cause of socialism. The success or failure of the cause of independence, the cause of socialism of the popular masses, depends upon how we organize and mobilize the revolutionary zeal and creativity of the popular masses, who are the masters and who are in charge of it themselves.

The new environment in which the socialist revolution has been triumphant and the socialist system has been established in our country, urgently demanded that the party and state organizations improve their work and the functionaries improve their work method and work style to suit such an environment so as to vigorously organize and mobilize the broad segments of working people to socialist construction.

The demand of the development of our revolution was brilliantly met by the creation of the great Chongsan-ri spirit and Chongsan-ri method by the respected and beloved leader Comrade Kim Il-song through his historic on-the-spot guidance to the Chongsan-ri. [applause]

The great leader [widaehan yongdoja] Comrade Kim Chong-il has noted: Our party's traditional anti-Japanese guerrilla-style work method has been embodied and developed in conformity with the new historical conditions of socialist construction through the great Chongsan-ri spirit and Chongsan-ri method.

The Chongsan-ri spirit and Chongsan-ri method comprehensively embody the principles of the chuche idea that people are the masters of everything and that people decide everything, as well as the revolutionary mass line of depending on the strength of the masses and solving all problems based on it.

The basic spirit implanted in the Chongsan-ri spirit and Chongsan-ri method is to strengthen the main force of revolution and to enhance its role in many ways. The intrinsic characteristic of the Chongsan-ri spirit and Chongsan-ri method is to carry on works in all fields based on the popular masses' might and wisdom, as well as to make them have a more independent and creative existence by firmly uniting them around the party, while giving priority to their interests.

The Chongsan-ri spirit and Chongsan-ri method are the most revolutionary and democratic popular guiding principles, as well as the most superior work methods. They make it possible to effectively manage and operate a socialist society and to successfully accelerate socialist construction.

In managing and operating the socialist society, the Chongsan-ri spirit and Chongsan-ri method have embodied the democratic centralized principle and a controlled doctrine [tongjeui wolli], as well as rightly combined the party leadership with the revolutionary popular line. As a result, they can be a basic method, enabling the popular masses to thoroughly maintain their position as masters of the revolution and construction and to enhance, by every means, their role as masters.

The basis of the Chongsan-ri method lies in the fact that the superior organizations should help the subordinate organizations; that seniors should help juniors; that the high echelon should always make on-the-spot visits to fully grasp the actual situation; that it should formulate a correct plan to solve the problems; that it should give priority to the political work, the work with people, in all works; and that it should carry out the revolutionary tasks by inspiring the masses' conscious zeal and creation.

The Chongsan-ri method has fully and clearly defined various methods to correctly solve all problems in the party work and the masses guidance, ranging from the method of preparing, working out, organizing, and deploying the work in the socialist society to the method of meeting and conversing with people and of leading them to obtain awareness.

The Chongsan-ri spirit and Chongsan-ri method are an embodiment of our party's traditional and revolutionary working method, as well as the consolidation and development of the method achieved by the great leader Comrade Kim Il-song during the period of anti-Japanese revolutionary struggle.

During the first period after he had early embarked upon the road to the revolution, the great leader Comrade Kim Il-song—while always staying among the popular masses—created the most revolutionary and popular-oriented work method, the chuche work method, regarding the issue of linking with the masses as the basic issue related to the success or failure of the revolution. [applause]

The great leader Comrade Kim Il-song led the government as soon as our party was founded after liberation. Since the first period of the construction of a new society, he was opposed to bureaucratism, an ideological vestige of the ruling class of an old society, along with the popular masses, but instead paid deep attention to the work to establish the revolutionary and people-oriented work method and the work style, fully grasping the actual conditions in which many of our functionaries failed to have experience in the revolutionary struggle and the mass work over the past years.

Under the leadership of the great leader Comrade Kim Il-song, our country has waged a struggle to establish the revolutionary and people-oriented work method and the work style, opposing bureaucratism. As a result, our country was able to achieve the invincible cohesion and unity of the party and the masses by successfully overcoming the ardent trials during the past war of national liberation, as well as the numerous difficulties during the (?postwar) period. Also, they were able to persistently accelerate the socialist revolution and socialist construction.

The great leadership ethos of the respected and beloved leader Comrade Kim Il-song—who grasped the chuche-oriented view of the popular masses most thoroughly, always went down among the people, and, with them, carried out the revolution and construction—has been clearly recorded on the road of the on-the-spot guideline given by the leader [suryong] during his whole life. Also, the glorious tradition of our party's chuche work method has been persistently inherited, and the proud history of modern Korea in which heroic events and feats are fully performed has been spread on that road. [applause]

Truly, the Chongsan-ri spirit and Chongsan-ri method are principles of mass leadership and the main force of labor which were achieved when the great leader Comrade Kim Il-song continuously carried out on-the-spot guidance during the whole period of guiding our revolution and construction and in the course of organizing and leading every field of work—the party and state work, military work, and political, economic, and cultural work. This was brilliantly embodied in conformity with the new historic condition established by the socialist system. [applause]

With the creation of the Chongsan-ri spirit and Chongsan-ri method, in accordance with the revolutionary enthusiasm and creativity of the popular masses, it was possible for our party to confidently lead the broad, popular masses toward the resplendent future of socialism with the most scientific and revolutionary mass leadership ideology and method to accelerate revolution and construction even under any difficult and complicated environment.

After the creation of the Chongsan-ri spirit and Chongsan-ri method, our party vigorously carried out the struggle to implement them. The work to all the more generalize the Chongsan-ri spirit and Chongsan-ri method was a very extensive and large-scale work in which it newly established the work system and work method of the party, state, and economic organs in accordance with the new environment in which the socialist system was wholly established in our country. It also generally innovated the functionaries' ideological viewpoint, work attitude, method of activities, and work trait.

In generalizing the Chongsan-ri method, our party put great emphasis in, first of all, systematically establishing a work system for the functionaries of the party and state organs to personally go into the lower echelons to help the lower functionaries and masses in detail. Our party thoroughly changed the party work into a work with the people, and the center must help the provinces and the provinces must help the counties. In particular, functionaries of the county organs, who are the lowest echelon of the guiding unit of the party and state, must go into the basic unit of production in one-a-match-for-100, with the functionaries there, to personally organize and advance the party and economic, work and to help the work of the lower units with responsibility.

The work to generalize the Chongsan-ri method was all the more vigorously promoted through the struggle to implement the revolutionary masses line in guidance and management toward the socialist economy.

The respected and beloved leader Comrade Kim Il-song established the great Taean work system, the new agricultural guidance system, and the scientific planning system, by generalizing the experiences he gained in the historical on-the-spot guidances at Chongsan-ri. In this way, he provided the most correct way of resolving the issue of guidance and management of the economy in a scientific and revolutionary way, in keeping with the nature of the socialist society and the demands of development. [applause]

The Taean work system is the most superior socialist economic management system in which the plant and enterprises carries out all economic activities under the party committee's collective guidance; motivates the producer masses by giving priority to the mental work to carry out revolutionary tasks that have been presented; and the upper echelons help the lower echelons with responsibility. Thus, the Chongsan-ri spirit and Chongsan-ri method were brilliantly embodied in the guidance and management of the economy.

The Chongsan-ri spirit and Chongsan-ri method were created, and by embodying them, the Taean work system was established. Thus, it was possible to have a new political method—a socialist political method—in accordance with the true nature of socialist society, and endless upsurges were firmly achieved in revolution and construction in managing and operating the overall socialist society, as well as in guidance and management in the socialist economy, without the slightest deviation.

The struggle to embody the Chongsan-ri spirit and Chongsan-ri method was deepened even further in the grand march for modeling the entire society on the chuche idea. The great leader Comrade Kim Chong-il formulated the revolutionary work method created by the respected and beloved leader as the great leader-style work method in conformity with the new demand of the development of our revolution, comprehensively elucidated its essence and contents, and exercised his wise leadership so that all functionaries can work and live among the masses, with knapsacks on their backs, as the commanding officers of the Korean People's Revolutionary Army did during the anti-Japanese armed struggle, under the slogan "Let us produce, study, and live in the anti-Japanese guerrilla-style." [applause]

Under the energetic and prudent leadership of the great leader Comrade Kim Chong-il, the functionaries waged a vigorous struggle to actively follow the example of the great leader-style work method and thoroughly embody its demands. The vitality of the Chongsan-ri spirit and Chongsan-ri method has already been clearly proven in the execution of the struggle to accelerate our revolution and construction, and it is demonstrated more highly with each passing day and year.

Through the struggle to embody the Chongsan-ri spirit and Chongsan-ri method, a great upturn has been brought forth in the work of the party and state economic organizations, more than anywhere else. In the course of thoroughly embodying the Chongsan-ri method in the overall party work, the old conventional work method and bureaucratic work style which hampered the development of the party work were successfully overcome, the revolutionary party work system and the revolutionary and people-oriented work method and style were firmly established.

The masses line was comprehensively embodied in the work system and operational method of the state economic organizations, thereby enhancing the function and role of the people's government, thoroughly realizing socialist democracy in overall social life, and bringing forth a revolutionary upturn in the management of the socialist economy.

The functionaries came to have a correct outlook on the masses, a heightened spirit of devoted service, and a chuche work method, an anti-Japanese guerrilla-style work method of going down among the masses and giving priority to the political work and the work with people, mingling with the masses and efficiently helping people under them, and solving all problems based on the creativity of the masses.

As an upturn was brought forth in the party's work, the work with people, all the members of society were brought up firmly to be the chuche-type revolutionaries boundlessly loyal to the party, the leader, the country, and the people. Our revolutionary ranks were firmly united as a sociopolitical living organism based on the chuche idea. Now all our people entrust all their destiny and future to our party and are wholeheartedly united around the party, highly displaying all sorts of patriotic devotion and creativity.

The support of the popular masses for our party has become absolute. Our party has been strengthened and developed into a mighty, lively, invincible, and militant party in wholehearted unity with the popular masses, taking root deeply among the masses. The proud reality of our country and the grand revolutionary characteristic of our society are that the party trusts the people, the people regard the party's bosom as the true motherly bosom, and the party and the people are wholeheartedly united and confidently and consistently advance the revolution and construction along the single victorious road. [applause]

Through the course of implementing the Chongsan-ri spirit and Chongsan-ri method, a great change was made in the way of thinking and the work habits of the party members and workers. Thus, socialist construction was accelerated at a rapid speed and the country's appearance became fundamentally new.

The Chollima movement and the Chollima work team movement, which were developed after the postwar period in our country, were intensified and developed into the movement to win the red flag of three revolutions, and the ranks of the unsung heroes and vanguards of communist virtue increased throughout the whole society. Thus, heroic feats and innovations are being endlessly created in socialist construction.

The respected and beloved leader Comrade Kim Il-song went to the farmers of Chongsan-ri and had heart-to-heart talks with them by listening to their opinions. From the historic day he created the Chongsan-ri spirit and the Chongsan-ri method up until the last moment of his great life, he endlessly carried out on-the-spot guidances. Through this, many new Chongsan-ri's appeared throughout the whole country, and our socialist farm was literally changed into a people's paradise in which the rural thesis was wholly developed.

Truly, all the results achieved in our country's socialist construction during the past period are a great victory of the Chongsan-ri spirit and Chongsan-ri method, as well as a lofty fruition of the wise leadership of the party and the leader [suryong]. [applause]

At this significant place celebrating the 35th anniversary of the founding of the Chongsan-ri spirit and Chongsan-ri method, we give eternal glory to the great leader Comrade Kim Il-song who, filled with all the people's whole-hearted admiration and enthusiastic loyalty, created and brilliantly embodied the chuche-oriented mass leadership ideology and method to embrace a centuries-long change on his land from early on. We also give the greatest honor and warmest thanks to Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, who is endlessly elucidating the leader's [suryong] revolutionary cause and immortal revolutionary achievements, and wisely leading all the people toward new feats and innovations. [applause]

Comrades, by firmly advocating, adhering to, and eternally elucidating generation after generation the immortal lofty ideological and theoretical assets and leadership achievements that were made when the great leader Comrade Kim Il-song led our people's revolutionary struggle and construction work to victory during the long period of 80 years, today we are faced with the honorable and important task to complete the chuche revolutionary cause to the end.

Advocating, adhering to, carrying out, and developing generation after generation the leader's [suryong] revolutionary ideology and revolutionary achievements which opened the beginning of the revolution, are the fundamental guarantee for the revolution's victory, and a noble duty of those carrying out the revolution.

Adhering to the Chongsan-ri spirit and Chongsan-ri method, and working and living according to their demand, are a sacred and glorious work to carry out all work in revolution and construction only in accordance with the style of the great leader [suryong], and to firmly adhere to and elucidate, generation after generation, the respected and beloved leader's immortal revolutionary ideology, lofty leadership achievements, and the chuche bloodline achieved by the leader [suryong].

This year, which marks the 50th anniversary of the WPK founding and the 50th anniversary of national liberation, is a significant year. Greeting 1995, a hopeful new year which will achieve greater advances on the road to consummate the chuche revolutionary cause, the great leader [yongdoja] Comrade Kim Chong-il brilliantly elucidated the far-sighted goal to build an enriched and powerful fatherland of chuche and ways for its realization, as intended by the great leader [suryong] while he was alive.

"Let us work, firmly uniting as one mind and as one will, in order to further enrich and strengthen our country, our fatherland, as befitting the great leader's [suryong] fighters and the great leader's pupils." This is the banner of struggle, the flag of victory and advance, unfolded by our party to accelerate the revolution and construction according to the respected and beloved leader's ideology and intent. [applause]

Under the uplifted militant slogan "Let us greet the 50th anniversary of the WPK founding with high political enthusiasm and brilliant labor feats," uniting as one mind and as one will, and working hard under the party's leadership to further enrich our country, our fatherland, which is the most superior chuche socialist fatherland and the home to our nation that glitters with the esteemed name of the great leader [suryong], are our life's favorite motto and the banner of struggle which should always be adhered to by the entire party members and working people who are the leader's [suryong] fighters and the leader's [suryong] sons and daughters in the general onward march of socialism. [applause]

Under the great leader [yongdoja] Comrade Kim Chong-il's matured and tested leadership, our party is confidently building the chuche socialism with the most correct guiding idea and the most scientific and revolutionary lines and policies. In carrying out the revolutionary struggle and construction works, all the policies and lines maintained by our party are just, and the measures and methods for their implementation are exactly elucidated. The basic guarantee to effectively carry out all the tasks arising before us is for functionaries, the commanding staffs of the revolution, to deeply realize the respected and beloved leader's [suryong] history of leadership and further embody the great leader's [suryong] way of work, and the demands of the Chongsan-ri spirit and method.

This year, in which the cause of the chuche socialist construction must be powerfully accelerated more than any other time, by bearing deep in the minds the great leader's [suryong] behests, all the functionaries, with the firm conviction about socialism, should militantly work as they did in the times of postwar construction.

The most important thing in arousing the masses to the implementation of the party's policies, by embodying the Chongsan-ri spirit and method, is upholding the great leader [yongdoja] Comrade Kim Chong-il's excelled idea and lines on building the ruling socialist party as the mother party, and firmly setting up the chuche-oriented view of regarding the popular masses as the most valuable and powerful being and of truly loving and believing in them. In his classic work, "Socialism Is a Science," the great leader [yongdoja] Comrade Kim Chong-il has set up the chuche-oriented view on the popular masses, and profoundly expounded that faithfully serving the popular masses is the communists' noble mission, herein lying the communists' true worth of life.

Upholding the revolutionary slogan "serving the people," all the functionaries, the commanding staffs of the glorious mother party founded by the respected and beloved leader [suryong] and guided by the dear leader Comrade Kim Chong-il, should become the people's true servants who think about the people first anytime and at any place, listen to their voices, share joy and sorrow with them, and honestly work for them. [applause]

Functionaries should go deeply among the masses and implement all assigned tasks with the masses' strength to thoroughly embody the Chongsan-ri spirit and method. Historic lessons of our revolution and construction show that nothing is impossible when functionaries go among the masses and correctly organize and mobilize them, relying upon their strength.

All functionaries should sincerely experience the dear leader Comrade Kim Chong-il's teaching [karuchisim] that going among the masses is like having a restorative. According to the revolutionary slogan calling on the entire party to go among the masses, all functionaries should always go directly to manufacturing sites where the masses are working, eat with them, grasp the actual condition of lower units, find correct methods to solve problems, help lower units in order, and responsibly implement presented revolutionary tasks, relying upon the masses' strength. They should adhere to this revolutionary attitude toward work and this refreshing and people-oriented way of work.

The Chongsan-ri method is a party-oriented political method of explaining to people and persuading them to the last, and it is an intrinsic work method of chuche-oriented revolutionaries to implement revolutionary tasks by arousing the popular masses' self-awareness and creativity, giving priority to political work, work with people.

Prior to implementing any revolutionary task, we should explain the party policy to the masses, imbue them with the party policy, and give priority to the political work, work with people, of indoctrinating and inspiring the masses to arouse their revolutionary zeal and creative activities.

Political work should be done through persuasion and indoctrination, in close connection with revolutionary practice, and should be turned into the masses' work. Carrying out political work in this way, all functionaries and party members should become indoctrinators and propagators for the masses, so as to indoctrinate and inspire all the people in the way of indoctrinating and inspiring 10 people by a person, 100 people by 10, and 1,000 people by 100.

In order to embody the demand of the Chongsan-ri spirit and method with an attitude worthy of commanding members of the mother party, it is important for our functionaries to thoroughly revolutionize themselves, to constantly enhance their revolutionary, party-oriented, working class-oriented, and people-oriented spirit, and to actively carry out the struggle against cronyism [sedo], bureaucratism, corruption, and irregularities.

As the great leader [yongdoja] Comrade Kim Chong-il elucidated, socialism opposes all privileges. As seriously shown by the lesson from the fact that socialism fell and capitalism has been restored in many countries in recent years, allowing cronysim, bureaucratism, corruption, and irregularities among cadres of the ruling socialist party is like digging one's own grave. We should continuously and strongly carry out the struggle against cronysim, bureaucratism, corruption, and irregularities that may easily be seen [hunhi natanalsu innun] among functionaries of the ruling party, and accelerate revolutionization through constant ideological indoctrination, revolutionary organizational life, and revolutionary practice, so that we can serve as tools and standard-bearers to embody our party's humanism-oriented politics and to proceed with all party lines and policies that reflect the people's aspirations and demands.

Imminently, we should more vigorously arouse all working people to the struggle to implement the party's revolutionary economic strategies by executing bold operations and skillful command, upholding the decisions made at the 21st plenary session of the Sixth WPK Central Committee. By doing so, we should make a turnabout in developing agriculture, light industries, and foreign trade, and constantly effect innovation and upsurge not only in the primary sectors, such as the electric power industry, the coal industry, and railway transportation, but also in all sectors of the national economy, including the metal industry.

All functionaries must extensively and deeply study the teachings, which the great leader Comrade Kim Il-song gave to their sectors and units when he was alive, from historical perspectives, map out detailed plans to implement those teachings, and thoroughly implement the leader's [suryongnim] behest to the end. [applause]

We must establish strong discipline and order in all sectors in compliance with the situation and the demand of the developing era, and highly display the revolutionary trait of abiding by discipline and order without fail. We must also beef up the higher echelons' roles, thoroughly implement the party's plan to change the people's lives, and thus, correctly mobilize and utilize resources and potential in regions to ensure that all counties play greater roles in improving the lives of the people of each county.

No matter how difficult and vast tasks may be ahead, all functionaries, party members, and workers must uphold the slogan of loyalty "What the party decides, we will do!", highly display the spirit of indomitable struggle and the revolutionary spirit of self-reliance and arduous struggle, and, thus, boldly break through trials and difficulties on their own strength and wage the struggle to mobilize all internal reserves and increase production and conservation to the utmost.

Functionaries of the Chonchon County Commercial Management Office and of Maengsan County displayed boundless loyalty toward the party and the leader [suryong]; the spirit of devoted service with which they took care of the people's lives to the end; the revolutionary spirit of self-reliance and arduous struggle; and the revolutionary spirit of leading by personal example, being the first to do difficult tasks. All functionaries must positively learn from those functionaries and fulfill their mission and role as sincere and diligent servants of the people.

To successfully carry out all tasks for us today, and score endless upsurges in revolution and construction, all party members and workers must unite around Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, more single-heartedly than ever and uphold the party's leadership with loyalty.

Single-hearted unity is our party's revolutionary philosophy and our revolution's banner of invincibility. All party members and workers must cherish deep in their hearts the firm belief that they will win without fail when they march under the leadership of the great leader [yongdoja] Comrade Kim Chong-il, unite around Comrade Kim Chong-il, the respected and beloved supreme commander, more single-heartedly and strongly than ever, and be loyal to the party's leadership.

When all party members and workers have absolute loyalty and reverence to the great leader [yongdoja] Comrade Kim Chong-il and uphold the party's ideas and leadership, our fatherland will be strengthened beyond comparison, and new momentous progress will be made in carrying out the socialist cause. [applause]

Party organizations of various levels must firmly ensure the party's leadership for socialist construction, beef up the roles of the League of Socialist Working Youth and other labor organizations, and, thus, ensure that young people from all walks of life and workers have fervent loyalty toward the party and display popular heroism and score brilliant labor feats in all guardposts of revolution and construction.

Under our party's tested leadership, socialist construction is vigorously advancing toward the high peak of the complete victory of socialism today in our country, and our people face brighter prospects.

There will be no unconquerable fortress if all people cherish in their hearts the firm belief that the great leader Comrade Kim Il-song will always be with them, single-heartedly unite around respected and beloved Comrade Kim Chong-il, and fight resolutely. As we have done in the past, we will in the future, as well, more highly uphold the banner of the great leader Comrade Kim Il-song's revolutionary idea, the chuche idea, thoroughly implement the Chongsan-ri spirit and the Chongsan-ri method, and, thus, rally all people behind the party and the leader [suryong] and score great new upsurges in socialist construction. In this way, we will hasten the ultimate victory of the chuche revolutionary cause, which the respected and beloved leader [suryongnim] cultivated and led. [applause]

Let us all single-heartedly unite around the great leader [yongdoja] Comrade Kim Chong-il, uphold the banner of the ever-victorious WPK and the banner of the three revolutions, ideological, technological, and cultural, and vigorously fight to achieve the complete victory of socialism and the independent, peaceful reunification of the fatherland and complete the chuche revolutionary cause! [applause]

Long live Comrade Kim Il-song, the great leader of our party and our people! [applause]

Long live Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people! [applause]

Current Situation in Chongsan-ri Described

SK0802152395 Pyongyang KCNA in English 1511 GMT 8 Feb 95

[FBIS Transcribed Text] Pyongyang, February 8 (KCNA)—Thirty-five years have passed since the great leader President Kim Il-song gave on-the-spot guidance to Chongsan-ri.

On this anniversary the farmers there are now vigorously accelerating farming preparations to reap a bumper crop this year, too.

The farm is topping their daily plans by an average of more than 50 percent in carrying home-made compost out to the fields.

Chongsan-ri, about 20 kilometres west of Pyongyang, is a historic village where President Kim Il-song created the Chongsanri spirit and method, the guiding idea and method concerning the leadership of the masses.

He had wisely guided the affairs of the village from long ago with a far-reaching plan to turn it into a communist rural community.

His 15-day-long on-the-spot guidance to Chongsan-ri in February 1960 was of weighty historical significance in the development of the nation's rural economy as a whole.

In his speech "For Correct Management of Socialist Agriculture" at a general meeting of the Chongsan-ri party committee on February 8, he gave a comprehensive exposition of the issues of concentrating efforts on farming, raising the level of mechanization and properly applying the socialist principle of distribution and all other questions arising in the correct management of the socialist rural economy.

Thanks to his on-the-spot guidance on more than 100 occasions and constant care, Chongsan-ri where poverty, maltreatment, illiteracy and ignorance had prevailed has turned into an ideal communist rural community.

The village, which had only three tile-roofed houses before the liberation of the country, has now rows of two or three-story houses with a hot-water heating system, bearing resemblance to town.

It has more than 200 hectares of orchards and mulberry fields on hillocks and irrigation waterways ramified over the paddy and non- paddy fields.

The farm which emerged as a small cooperative with a draught ox has now over 100 tractors, ten odd lorries and 1,000 or more modern farm machines including rice harvestors and rice-transplanting machines.

The amount of chemical fertilizer applied to each hectare has steadily increased to reach 2.7 tons.

The farm has over 300 technicians and experts and most of the farmers know how to operate one or more farm machines.

The grain production grows every year with the chuche method of farming strictly applied.

The farm plans to gather ten tons of rice and eleven tons of maize from each hectare this year.

'Treasure' of Korean Revolution Museum Detailed

SK0902050095 Pyongyang KCNA in English 0422 GMT 9 Feb 95

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA)—Many people are visiting the Korean Revolution Museum every day on the threshold of February 16, the greatest holiday of the Korean nation.

Among those exhibited there are an ode and gifts—an embroidery "The Sun of Chuche" and a rare metal carving "The Old Home in the Mt. Paektu Secret Camp"—sent by the great leader President Kim Il-song to the dear leader Comrade Kim Chong-il on his 50th birthday in February 1992.

In the ode, President Kim Il-song wrote that Comrade Kim Chong- il, born at the foot of Mt. Paektu, was greeting his 50th birthday and that the peoples around the world deeply respect and praise him for his literary and military accomplishments, loyalty and filial piety.

The rare metal carving consists of a primitive forest around the native home of Comrade Kim Chong-il in February with 1,942 trees, big and small, including abies nephrolepis and silver fir as well as 216 blossoms of azalea and 50, blossoms of Kimchongilia. They are artistic representation of the date of Comrade Kim Chong-il's birth and his 50th birthday.

The old home stands out in relief and 500 jewels are set around it, so that they may depict well the bright future of Korea and the eternal happiness of the nation with the bright star above Mt. Paektu throwing rays all over the world.

The carving is 2,160mm long, 800mm wide and 650mm high.

The embroidery is about President Kim Il-song and Comrade Kim Chong-il with a bright smile on their faces standing against the space shining with the rays of the sun.

They stand in an earth-shaped garden with more than 200 blossoms of national flowers of some 130 countries and other precious flowers around the world including magnolia, the national flower of Korea, with Kimilsongia and Kimchongilia in the centre. This artistically depicts the best wishes of all people.

Inscribed in the lower part of the embroidery frame are two birds of phoenix, a symbol of happiness and longevity, flying high in the sky toward the sun and holding a floral basket with best wishes for longevity.

The embroidery is 2,050mm long and 1,025mm wide.

The ode, the carving and the embroidery carry the august name of President Kim Il-song and the date autographed by him.

Comrade Kim Chong-il sent the gifts to the Korean Revolution Museum so that they could be preserved as national treasure.

The ode and the gifts will be preserved as great treasure of the Korean nation forever, associated with the high praises of Comrade Kim Chong-il's immortal feats and the noble wish of President Kim Il-song for the inheritance and accomplishment of the revolutionary cause of chuche.

South Korea

Gallucci Interviewed About ROK-Style Reactors

SK0902060395 Seoul HANGUK ILBO in Korean 8 Feb 95 p 6

[Report on interview with Robert Gallucci, U.S. ambassador on the North Korean nuclear issue (title as published), by unidentified correspondents at the U.S. Embassy in Moscow on 6 February; compiled by HANGUK ILBO Moscow-based correspondent Yi Chang-hun; first paragraph is HANGUK ILBO introduction]

[FBIS Translated Text] On 6 February, Robert Gallucci, U.S. ambassador on the North Korean nuclear issue, stated that ROK-style light-water reactors will be supplied to North Korea, and that there could be no other choice. Ambassador Gallucci made this statement at a news conference held at the U.S. Embassy in Moscow on the afternoon of 6 February. Gallucci added that the South-North dialogue would play an important role in determining the success or failure of the Korea Energy Development Organization [KEDO]. The following are questions and answers exchanged between correspondents and Ambassador Gallucci:

[Correspondent] What have you discussed with Russia?

[Gallucci] I have explained the process of the negotiations between North Korea and the United States, and the organization of KEDO, to Mikhaylov, Russian minister of atomic energy; Panov, vice foreign minister; and (Kaslyak), director of the Bureau of Cooperation in Science and Technology. I also asked that Russia participate in KEDO.

[Correspondent] What role will Russia play in KEDO?

[Gallucci] Russia will play several roles. At the moment, though, it is hard to say what concrete role Russia will play. The construction of light-water reactors is a major project. There still exist questions to be answered, including the supply of heavy oil or the disposal of the spent fuel rods. As you know, like the UK and France, Russia has had experience and possesses the technology to dispose of spent fuel rods. However, since North Korea promised to keep the spent fuel rods in safe storage for five to six years, we are not going to make any decision on this right now. We need to have further discussions on the role Russia will play.

[Correspondent] What if Russia refuses to participate in KEDO, resisting the secondary role it will play?

[Gallucci] I hope Russia will decide affirmatively. I am visiting Moscow to convey our wish that Russia will participate in KEDO and cooperate with us in solving the North Korean nuclear issue. I hope the Russian Government will understand the role KEDO will play and the direction in which KEDO will go.

[Correspondent] It has been reported that North Korean officials recently told a Russian delegation visiting Pyongyang that they prefer Russian-made light-water reactors. What is your opinion?

[Gallucci] As regards the organization of KEDO, the United States has discussed all relevant matters, mainly with the ROK and Japan. I have discussed with Russia the question of supplying the North with light-water reactors. However, there is no possibility that Russian-made light-water reactors will be accepted. Such an idea is unfeasible from a financial point of view. North Korea has continuously mentioned light-water reactors of various styles, including Russian-made reactors. This notwithstanding, I think that, as agreed upon at the Geneva talks, there is no other choice but ROK-style light-water reactors. For political reasons, North Korea incessantly mentions light-water reactors other than ROK-style reactors. It is true North Korea has some difficulty in accepting ROK-style reactors in view of the present South-North relations, but North Korea will have no problem whatsoever if Pyongyang improves its relations with the ROK by resuming South-North dialogue in conformity with the North Korea-U.S. agreement. In that case, North Korea's light-water reactors can be built at the ROK's initiative.

[Correspondent] What if North Korea rejects ROK-style light-water reactors to the end?

[Gallucci] I hope North Korea will abide by the Geneva agreement to the end. Otherwise, everything will return to the situation that existed before the North Korea-U.S. agreement was reached. Above all, what is important is to have North Korea implement the Geneva agreement through negotiations.

[Correspondent] What are the prospects for the possibility of the realization of South-North dialogue and the success of KEDO?

[Gallucci] If South-North dialogue does not materialize, the prospects for KEDO will be dark. I hope North Korea will open doors and conduct dialogue with the ROK. I expect everything will move in that direction.

[Correspondent] Is Kim Chong-il in control of everything concerning North Korea's negotiations with the United States, including the question of light-water reactors?

[Gallucci] I cannot say for sure. However, I am convinced that Kim Chong-il is, in fact [sasilsang], ruling North Korea and is making decisions himself on important matters.

Former U.S. Defense Secretary Aspin Interviewed

SK0902132195 Seoul KYONGHYANG SINMUN in Korean 8 Feb 95 p 6

["Dialogue" between Les Aspin, former U.S. defense secretary, and Kim Sang-hyon, adviser to ROK Democratic Party, at the Hyatt Hotel in Seoul on 7 February; compiled by Song Chol-pok—first paragraph is KYONGHYANG SINMUN introduction]

[FBIS Translated Text] Former U.S. Defense Secretary Les Aspin is visiting the ROK and had talks with Kim Sang-hyon, adviser to the Democratic Party, on issues concerning the Korean peninsula at the Hyatt Hotel, where he is staying, on 7 February. Aspin is visiting the ROK at the invitation of adviser Kim. He was the U.S. defense secretary from January 1993 to January 1994, when the North Korean nuclear issue was the most serious. He is presently the chairman of the international intelligence advisory board of the White House for the Clinton administration.

[Kim] The North Korean nuclear issue has entered a totally new phase following the Geneva agreement in October 1994. North Korea is negotiating with the United States on the construction of light-water reactors while pursuing full diplomatic relations with the United States. Even though the nuclear issue has been settled, the United States still seems uneasy with North Korea.

[Aspin] We should closely watch North Korea to see if it sincerely implements the nuclear accord.

The North Korean-U.S. negotiation was a long, tiring, and delicate process. We should now watch how the agreement is implemented. That remains to be seen.

[Kim] According to former U.S. Pacific Commander Admiral (Larson), the U.S. defense strategy in East Asia hinges on maintaining close military and financial cooperation with the countries where U.S. Forces are posted.

The Clinton administration is requesting an increase in the ROK's share of expenditures for maintaining U.S. Forces in the ROK. What is your opinion on this?

[Aspin] That is a very important issue. Regardless of the result of the North Korean-U.S. nuclear negotiations, the Korean peninsula is no doubt under threat.

North Korea is still a major depository of conventional weapons. There are many military measures to be taken by the ROK and the United States in order to be reassured about the security of the Korean peninsula—I mean to enhance military capabilities.

[Kim] You joined the U.S. Defense Ministry as an economic analyst when McNamara was the secretary and you demonstrated your outstanding talent in analyzing the cost of the Vietnam war. Former Secretary McNamara is known to be the first secretary to introduce scientific methods in establishing and executing defense budget plans. He later became the president of the International Bank for Reconstruction and Development.

The ROK Armed Forces is also seeking new defense strategies and management methods in accordance with the new defense environment.

[Aspin] In the post-Cold War era, the basic defense strategy of the United States is based on the "bottom up evaluation," a combat capability analysis report prepared by the U.S. Defense Department in 1993.

The core of the strategy is that U.S. Forces win in the event of conflicts occurring in two regions of the world simultaneously. That is the so-called "win and win" strategy.

The report was written based on our experience in regions of frequent conflicts. We developed the strategy based on the initial assumption that the potential regions of conflict in the future are the Gulf and the Korean peninsulas. The U.S. Defense Department strategy is to maintain our efforts (for victory) in the two regions.

[Kim] Two to three weeks before the Gulf war, you predicted that the U.S.-led Allied Forces would win without significant loss of life if U.S. Forces attacked early. Your accurate prediction was highly appreciated by many people.

Your prediction was based on your superb command of military affairs, particularly of weapon systems. What will happen if a war with conventional weapons erupts on the Korean peninsula?

[Aspin] I can only give a satisfactory answer based on close examination of various details when the conflict is near at hand.

However, one thing certain is that in the event war breaks out on the Korean peninsula, the United States definitely has the intention to actively counter any kind of military collision to gain supremacy over North Korea.

[Kim] The security situation of East Asia, including that of the Korean peninsula, is becoming more and more uncertain due to many political and economic variables following the end of the Cold War.

Even though there is no local conflict at the moment, the potential lies everywhere. In recent years, Southeast Asian countries have competed in military reinforcement. The PRC is particularly reinforcing its Navy. The shaky situation of the region, particularly the military situation, is not irrelevant to the change in U.S. military policy.

[Aspin] There could be a war of domination in the region. There is various speculation on the future situation of the region. In particular, we need to watch closely the future moves of the PRC.

There are frequent territorial conflicts between two or more countries in Southeast Asia. These conflicts should be watched closely.

The United States should remain a force in the region to cope with such potential conflicts.

In the meantime, the United States should encourage its allies in the region to maintain their defense capabilities at a high level.

For regional stability, intraregional dialogue should be further promoted. Intraregional dialogue is necessary to provide an arena to discuss and have a clear picture of an individual country's possible security problems.

[Kim] ASEAN was originally founded to contain Vietnam's military expansion, but the organization recently decided to grant ASEAN membership to Vietnam. ASEAN has become an organization of regional economic cooperation in name and reality.

The PRC—the giant country in East Asia—is an uneasy neighbor to ASEAN. Such a concern could also be harbored in East Asia, including the Korean peninsula.

[Aspin] We have to understand the objective of the PRC's military reinforcement. Is it a normal military modernization or military reinforcement?

In this regard, we need to increase exchanges and dialogue with the PRC. The U.S. Defense Department has expanded defense exchanges with the PRC.

[Kim] Although there is not enough information available due to North Korea's inaccessibility, some North Korean watchers believe the North Korean military has more influence in the Kim Chong-il era.

Such speculation was proven through conflicts between the North Korean Foreign Ministry and the military during the negotiations between North Korea and the United States on the nuclear issue. The North Korean military appears to be in a sort of crisis amid the drastically changing international situation.

[Aspin] It is too early to say the North Korean military has more influence than before. I agree with you on the point that the North Korean military might feel its weakness.

I am not certain about the changes between the North Korean military and civilian political circles following the death of Kim Il-song. I believe it is still early to make a judgment. However, with the complete loss of the support from the Soviet Union, which had long been an ally, it would not make sense if the North Korean military did not appear anxious.

'High-Ranking' Official on U.S. Trade Requests

SK0902021795 Seoul CHOSON ILBO in Korean 8 Feb 95 p 9

[Report by correspondent Kim Chae-ho]

[FBIS Translated Text] The government is going to accept, to a large extent, U.S. requests concerning the opening of the automobile market and the easing of standards on food sanitation.

On 7 February, one high-ranking government official concerned said: "Many people think that because the share rate of foreign cars in the ROK market is too low, it is necessary to increase the rate to at least 1 percent. The government is studying ways to eventually abrogate the system of inspecting all imported cars since it is discriminatory to foreign cars, and to actively cooperate so consumers can have a better understanding of owning a foreign car."

The government is also planning to revise our standards on meat and food sanitation, which have been sued under the 301 Clause of the U.S. Trade Law, with a view to meeting international standards, accepting the United States' request.

Also, the government will present to the United States a detailed schedule on reducing tariff rates, though it will not accept the U.S. request that we lower the tariff rate for automobiles from 8 percent to 2.5 percent or revise the ROK's internal tax system based on the automobile's engine displacement.

On 10 February the government is planning to convene a meeting of the External Economy Coordination Committee, under the chairmanship of Deputy Prime Minister Hong Chae-hyong, in order to have a final discussion on the trade issues pending between the ROK and the United States, and to work out a final set of proposals to be presented to the United States during the visit by Pak Chae-yun, minister of international trade and industry, where he will conduct trade negotiations.

'Scrapping' Meat 'Shelf-Life Restrictions' Denied

SK0902014595 Seoul THE KOREA TIMES in English 9 Feb 95 p 8

[FBIS Transcribed Text] The government is not considering scrapping the permissible shelf-life restrictions on foreign meat but is just studying an extension of the shelf-life periods after consultations among related government agencies.

Assistant Agriculture, Forestry and Fisheries Minister Cho Il-ho yesterday denied Foreign Minister Kong Nomyong's remark in Washington Tuesday indicating that Seoul will abolish the permissible distribution periods requirements for foreign meat.

The Health-Welfare Ministry is seeking a revision of the related regulations in connection with the permissible shelf-life period of sausages in the direction of "meat processors deciding on the period by themselves," Kong was reported to have told reporters in Washington after talking with U.S. Trade Representative Mickey Kantor.

"It's immature to lift the regulations in light of the poor domestic meat distribution system. If the regulations are abolished, it will greatly affect the people's health in a negative manner," Cho told reporters.

"But the period can be expanded after inter-ministerial consultations," he said, adding that the government's basic position is to let private meat dealers decide on the shelf-life period by themselves as the long-term goal once the distribution system improves.

Refrigerated beef has to be sold to consumers within 14 days, refrigerated pork within 10 days, meat for hamburgers within 30-90 days and sausages within 90 days in accordance with related regulations.

The United States has insisted on Korea increasing the shelf-life restrictions on refrigerated pork and beef, claiming that U.S. meat traders are finding it hard to export their products to Korea due to the short permissible periods considering the long shipping period of 20 days or more from the United States to Korea.

Touching on sausages, Washington called for abolition of the permissible period, complaining that only two other nations in the world besides Korea regulate the shelf-life.

Ministry Views Meeting of North's Chang, Clinton

SK0902093595 Seoul YONHAP in English 0914 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—The head of a North Korean religious delegation who attended a morning prayer session held in Washington last week met U.S. President Bill Clinton along with 32 other participants shortly before the session began, the Foreign Ministry confirmed Thursday.

Chang Chae-chol exchanged greetings with Clinton at a room adjacent to a hall in the Hilton Hotel where the session was to be held, said Foreign Ministry Spokesman Yu Kwang-sok.

The meeting was arranged by evangelist Billy Graham who hosted the morning prayer session and Chang just exchanged formal greetings with Clinton, according to the spokesman.

Responding to North Korean press report Monday that Chang made a courtesy call on Clinton during his stay in Washington, a U.S. State Department spokesman had said that President Clinton never met with any North Korean at the White House.

The spokesman added at that time that it is absurd to say that Chang had a meaningful meeting with Clinton, although Chang may have encountered Clinton briefly at the prayer session.

Ministry: Seoul, U.S. Confirm Armistice Stance

SK0902051995 Seoul YONHAP in English 0501 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—The Governments of South Korea and the United States firmly maintain the position that the issue of replacing the Korean armistice agreement with a peace pact should be solved between Seoul and Pyongyang in accordance with the South-North (Korean) basic agreement, Foreign Ministry Spokesman Yu Kwang-sok said Thursday.

Commenting on the reports that Pyongyang has called on Washington to set up a liaison office in the truce village of Panmunjom to handle the issue of peace regime in exchange for accepting South Korean-standard nuclear plants, Yu said that neither talks between Seoul and Washington nor those between Washington and Pyongyang took up the issue.

U.S. Rejects DPRK Offer To Replace MAC

SK0902035595 Seoul KBS-1 Radio Network in Korean 2300 GMT 8 Feb 95

[FBIS Translated Text] It has been learned that North Korea has asked the United States to establish a U.S. military liaison mission [mi kunsa yollak taepyobu] in

Panmunjom separate from the Military Armistice Commission [MAC] [kunsa chongjon wiwonhoewanun pyolttoro] as a condition to accepting the ROK-type light-water reactors and resuming inter-Korean dialogue. Washington correspondent Yi Chong-su reports:

[Begin Yi Chong-su recording] A well-informed diplomatic source in Washington disclosed today that North Korea asked the United States to establish a U.S. military liaison mission in Panmunjom with which it can begin discussing the signing of a peace agreement between the United States and North Korea, as a condition for accepting the ROK-type light-water reactors and resuming inter-Korean dialogue.

The source noted that North Korea continues to reject the ROK-type light-water reactors which it had agreed on in the process of the U.S.-North Korean agreement and refuses to resume inter-Korean dialogue because it is scheming to obtain additional benefits. He added that the latest condition put forth by North Korea is for the United States to establish a U.S. military liaison mission in Panmunjom apart from the MAC.

Once the U.S. military liaison mission is established in Panmunjom, North Korea plans to begin discussing the signing of a peace agreement between the U.S. military liaison mission and the North Korean People's Army mission which was set up in Panmunjom after its boycott of the MAC when an ROK delegate became its head at the end of 1992.

It has been learned that North Korea has persistently increased its demands for the establishment of a U.S. military liaison mission in Panmunjom following the issuance, at the end of 1994, of a memorandum of understanding between the United States and North Korea on the repatriation of Warrant Officer Hall, which mentions future contacts between the two sides.

The source said, however, that the United States is flatly rejecting the North Korean request for the establishment of a U.S. military liaison mission because the ROK-type light-water reactors and the resumption of inter-Korean dialogue were in fact agreed upon at the time of the U.S.-North Korean agreement because the peace agreement is a matter which should be discussed between North and South Korea, and because U.S.-North Korean military contacts should, in principle, be made within the category of the MAC.

In the meantime, THE WASHINGTON POST today said North Korea is demanding an additional $500 million to $1 billion in funds from the United States as a condition for accepting the ROK-type light-water reactors, but that the United States and the ROK are rejecting this because they cannot provide additional financial support. [end recording]

North Rejects Proposal on MAC Talks on Vessel

SK0902013095 Seoul HANGUK ILBO in Korean 8 Feb 95 p 2

[Report by correspondent Son Tae-kyu]

[FBIS Translated Text] On 7 February, North Korea turned down our side's proposal on holding a meeting of the Military Armistice Commission [MAC] to discuss the question of returning an unmanned North Korean vessel which had been towed to a port while adrift on the East Sea.

According to the Ministry of National Defense, the United Nations Command proposed on 6 February that a MAC meeting be held between senior MAC delegates Major General Hwang Won-tak [from the UNC side] and Lieutenant General Yi Chan-pok [from the North Korean side], at 1000 [0100 GMT] on 6 February to discuss the question of returning an unmanned North Korean vessel which had been detected and towed into Tonghae Port by an ROK Navy patrol ship. North Korea did not accept this proposal. North Korea also turned down our side's proposal on holding a contact between [Panmunjom] duty officers.

At around 0133 [1633 GMT] on 2 February, the unmanned North Korean vessel was detected drifting on the East Sea at a point 46 km east of Kojin, Kangwon Province, and 15 km south of the southern limit of the DMZ, and was towed to Tonghae Port by a Navy patrol ship.

Kong, Butrus-Ghali Discuss N-S Relations Issue

SK0902031595 Seoul YONHAP in English 0222 GMT 9 Feb 95

[FBIS Transcribed Text] United Nations, Feb. 8 (YONHAP)—United Nations Secretary General Butrus Butrus-Ghali said Wednesday that the United Nations is ready to do anything for improvement in relations between South and North Korea, according to diplomatic sources here.

While having breakfast with Foreign Minister Kong No-myong at the official residence of the UN secretary general here, Ghali was also quoted as saying that he would examine whether the United Nations could do something for the improvement in the South-North Korean relations and the initiation of joint projects between the two Koreas through the good offices of the UN Development Project (UNDP) chapters in Seoul and Pyongyang.

Foreign Minister Kong, meanwhile, presented to Ghali 11 projects which the South Korean Government considers possible to implement immediately in cooperation with North Korea, according to the sources.

Among them are restoration of railroads linking the South and North, joint study of ecological system in the Demilitarized Zone and the standardization of terms in science.

Kong also explained the South Korean Government's efforts to join the UN Security Council (UNSC) as a non-permanent member while Ghali responded by saying that South Korea is fully eligible to be a member of the council and that he would keep an eye on the matter, said the sources.

The South Korean foreign minister told that Seoul will expand its contribution to a variety of international projects through participation in the UN Peacekeeping Operations and other UN activities, said the sources.

Ghali, meanwhile, appreciated the Seoul's government's efforts to improve relations with North Korea, said the sources.

The UN Secretary General accepted Kong's invitation to visit Seoul in September when he attends a UN conference on women in Beijing, said the sources.

Russia Said To Retain Military Pact With North

SK0902111995 Seoul YONHAP in English 1051 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—Russia appears to have decided to retain its military alliance treaty with North Korea as a means of maintaining influence over the Korean peninsula, a diplomatic source here said Thursday.

The North Korea-USSR Friendship, Cooperation and Mutual Assistance Treaty signed in 1961 is to expire in June next year. But, it is to be automatically extended for five more years unless either of the two wishes to discard it.

"Russia, successor to the USSR, is expected to substantially modify the military alliance provisions of the treaty," said the source. "Yet, it is unlikely Russia will scrap it altogether."

During President Kim Yong-sam's visit to Moscow last June, Russian President Boris Yeltsin said the provisions of the treaty calling for automatic military intervention has in effect been dead.

However, Russian Foreign Ministry officials later asserted that the provisions at issue were not dead but would simply be modified.

In 1993 Russia verbally told the North Koreans that Russia would intervene under the treaty only when an outside military action against Pyongyang is branded by the United Nations as an "act of aggression."

"It appears Russia has decided to retain the provisions as modified in a move to maintain the means of exercising influence over the Korean peninsula and also of checking lopsided interests of the United States in the area," the source said.

Russia also seems to have arrived at the conclusion that they had more to lose than to gain in its "South Korea-first policy," said the source, adding that as a result, Russia has apparently been employing an equidistance policy toward the two Koreas since last year.

Noting that Russia has been exerting considerable efforts to improve relations with North Korea since the death of Kim Il-song last July, the source said Russia is obviously in the position that it cannot repeal the alliance treaty with Pyongyang altogether in a circumstance where U.S. Forces remain in South Korea and there exists the South Korea-U.S. mutual defense treaty.

Russian and North Korean officials are expected to discuss various matters related to the automatic extension of the treaty before June this year, the source added.

Business Group Training DPRK Workers in PRC

SK0902022895 Seoul YONHAP in English 0154 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—A South Korean business group is training North Korean textile workers in China, a Korean-American who has often visited both South and North Korea said Thursday [9 February] on condition of anonymity.

According to him, a South Korean business group he identified only as "D Group" started last November teaching North Korean workers to make shirts, jackets and bags at a Chinese factory in Tianjin.

The group provides not only rooms and food but also a per diem of 3 U.S. dollars to the North Korean trainees and completed the first course for 13 North Korean workers last month.

The second course, also for 13 North Korean workers, is now underway and the South Korean business group is bearing all the training costs, in addition to providing instructors, he said.

The trained North Korean workers will be sent to the garment factory the South Korean group is building at a cost of 80 million dollars in North Korea, he added. The factory will be completed shortly.

National Unification Board officials said the government had not received any reports on such training of North Korean workers.

Under the current rules concerning inter-Korean economic cooperation, South Korean technicians may make contact with North Koreans in a third country with the government's approval, an official explained.

The rules announced last November provide that South Korean technicians may visit North Korea on a visit permit but do not include any provisions concerning a South Korean firm's training of North Korean workers in a third country.

Banks Urge Exchange With DPRK Banking Organs

SK0902061195 Seoul YONHAP in English 0542 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—South Korean banks are actively pushing for exchange with North Korean banking institutes in preparation for possible full-fledged inter-Korean exchange, sources said on Thursday [9 February].

Some banks including the Korea Exchange Bank, Export-Import Bank of Korea, Commercial Bank of Korea, Han-il Bank, Chohung Bank, Korea First Bank and Bank of Seoul, have already obtained official permits for their planned contacts with North Korean nationals from the National Unification Board (NUB).

Such move is part of their efforts to prepare for an earnest start of commercial transaction between South and North Korea expected as a result of the Seoul's easing of the foreign exchange control law so that South Koreans can remit money to their relatives in North Korea.

The South Korean banks have instructed their branch offices in Hong Kong, China, Japan and Britain to contact North Korean officials to tap the possibility of cooperation with North Korean banks.

The South Korean banks are seeking to have correspondent bank contracts with their North Korean counterparts and establish their branches in the Najin-Sonbong Free Economic and Trade Zone.

Meanwhile, ING Bank of the Netherlands became the first foreign bank to advance into North Korea late last month as it agreed to set up a joint-venture bank with (North) Korea Foreign Insurance Co. (KFIC) in the Najin-Sonbong Free Economic and Trade Zone this year.

North: Only 'Overseas' Koreans Allowed To Visit

SK0902083195 Seoul YONHAP in English 0747 GMT 9 Feb 95

[FBIS Transcribed Text] Bangkok, Feb. 9 (YONHAP)—South Koreans holding a third country's passport only can visit North Korea during the sports and cultural festival opening in Pyongyang in late April, a travel agency here said Thursday.

Sales manager Naroemit Burasombun of Merryland Travel Services recruiting people wishing to visit North Korea during the festival said she had received final words to that effect from Korea International Travel Co. of Pyongyang regarding her question about the qualifications of South Koreans to travel to North Korea during the Pyongyang Sports and Cultural Festival.

Accordingly, South Koreans residing in Thailand on a work permit, such as business people, missionaries and news correspondents, cannot visit North Korea, she clarified.

The Chinese Travel Company put a revised ad in the Thursday edition of THE NATION which reads, "open for all nationality: American, Japanese and overseas Korean accepted." Its earlier ad read, "open for all nationality: American, Japanese and South Korean accepted."

By the overseas Korean is meant both North and South Koreans holding a third country's passport, Burasombun said.

Seoul Considers Allowing North Delegation Visit

SK0902084095 Seoul YONHAP in English 0743 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—The South Korean Government plans to consider positively allowing a North Korean delegation to participate in the third Asian conference on the "comfort women" issue, a National Unification Board official said Thursday.

The government already approved on Jan. 14 an application filed by the Korean Council for Comfort Women Problems, the South Korean host for the conference, for an official permit for its planned contact with North Korean residents, the official said.

"The government will handle the issue of inviting North Koreans to the conference according to the progress of their bilateral contact. But we do not have any reason to stop the North Koreans from coming here."

North Korea recently notified the South Korean host of its intention to accept the invitation to attend the conference to be held here from Feb. 27 Through march 1, and proposed a contact to discuss the issue.

Two leaders of the South Korean Council, Yi Hyo-chae and Yun Chong-ok, participated in a Pyongyang international forum on Japan's postwar compensations last November with the government's approval.

DPRK Church Reportedly Invites ROK Priests

SK0902013695 Seoul YONHAP in English 0038 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—The North Korean Catholic Church has requested its South Korean counterpart to send priests to serve at the Pyongyang and Hamhung dioceses in the North and building a church at the Najin-Sonbong free economic and trade zone.

Chang Chae-chol, chairman of the (North) Korean Roman Catholic Association, made the request in an interview with the New York bureau of the Weekly PYONGHWA (Peace) NEWS, the organ of the Seoul archdiocese, during his U.S. visit, the weekly reported.

Chang was visiting the United States at the invitation of evangelist Billy Graham, leading a six-member mission of religionists and scholars specialized in disarmament.

In its Feb. 12 issue, the PYONGHWA NEWS quoted Chang as saying: "Since we observe Sunday service at a station, it is urgent for us to invite a priest. The Catholics in North Korea desire to have resident priests in the Pyongyang and Hamhung dioceses. They also desire that the South Korean Catholic Church build a church at the Najin-Songbong free economic and trade zone and dispatch a priest there."

Chang was also quoted as saying, "if and when Stephen Cardinal Kim visit the North, we will as well entreat him to appoint Cha Song-kun, 53, laymen's leader at Changchung Catholic Church in Pyongyang, a deacon or ordane him a priest."

Cardinal Kim, who heads the Pyongyang diocese as well as the Seoul archdiocese, earlier expressed a hope to visit the North within the year.

Editorial Criticizes Government on Grain Donation

SK0902092795 Seoul HANGYORE SINMUN in Korean 8 Feb 95 p 3

[Editorial: "Are You Worried Grain Donation Could Be Used For Military Purposes?"]

[FBIS Translated Text] Is there any way to supply North Korea with grain and to make sure and confirm that North Korea does not use it for military purposes? The World Vision Society, an international civilian charity organization, has decided and has completed its negotiations with North Korea to supply the North with 200,000 to 300,000 tonnes of grain. The government has reportedly asked for a guarantee that the grain will be delivered to North Korean residents. As a result, it is now difficult to determine if the project will materialize. We believe the government should take back its words, which will make us a laughingstock to the international community.

Yi Yun-ku, concurrent vice chairman of the World Vision Society and president of the World Vision Society Korean chapter, has met in the PRC with North Korean officials involved in external transactions to offer a supply of grain. His suggestion may have been based on pure humanitarianism. It has been learned that North Korea accepted this offer and expressed its intention to provide us with mineral water, raw rubber, mineral ore, and sugar in return. We believe that if ROK citizens sincerely join in this sympathetic act by the World Vision Society, it will provide a meaningful, hard-won opportunity to share the love of compatriots. This notwithstanding, we are placed in a situation in which the government's narrow-minded policy to view all South-North related matters from a military confrontation standpoint may remove such a meaningful opportunity for national reconciliation.

In his talks with Democratic Party Chairman Yi Ki-taek at Chongwadae [presidential offices] in May 1994, President Kim Yong-sam reportedly said: "We will even lend our reserved rice to help North Korea."

North Korea, which enforces a food rationing system, may be able to immediately store grain, which it receives in any form, for military purposes. If North Korea had accepted President Kim's proposal at that time, such rice, too, might have been stored for North Korea's military purposes. We do not think President Kim made such a humanitarian suggestion without being aware of such a possibility.

Perhaps, the government is mindful of the huge amount of grain, beyond expectations, the World Vision Society is going to supply and that a civilian-based support project is being implemented outside the government's control. The government reports North Korea has an extremely difficult food shortage problem, however, such an amount of grain cannot ease North Korea's difficulty. North Korea once gave us relief supplies, such as rice and cement, to assist in flood damage. Instead of feeling grateful to a poor North Korea for helping us, we sneered. At the same time, we did not think at all that North Korea could have depleted its supply of military rice. Then and now, such a way of thinking is not an appropriate attitude to share the hardship of our compatriots.

Firm Employees 'Avoid Working' in DPRK Section

SK0902031895 Seoul TONG-A ILBO in Korean 8 Feb 95 p 12

[By reporter Yi Hui-song]

[FBIS Translated Text] Employees of companies' North Korea teams, who are the advance guards in trade with North Korea, are exhausted what with one thing or another.

Most members of the North Korea teams want to change to another post as soon as possible; if their "wish" is not accepted, there are cases in which they have changed jobs.

Generally, a North Korea team is composed of three to four people. According to orders, they must keep silent about their projects and how they are progressing, and so they always move in secrecy.

Their actual results are a far cry from those of colleagues who are in charge of the U.S. and European markets, who conclude export contracts worth billions of dollars.

Moreover, since South-North relations are not improving, there are many times when they see "no trade coming in through our open door" for long periods of time. Therefore, they feel they are at a disadvantage in merit ratings compared with other colleagues.

Mr. K, who worked for a certain A group for the last four years as a veteran in trade relations with North Korea, wished to be transferred to the overseas business department; when he was not accepted, he resigned in early January and went to work for another company.

Whenever he had the opportunity, Mr. P, head of the North Korea team of a certain B group, requested that the director in charge of the North Korea team transfer him to another post. Mr P said: "Even though I am in charge of the North Korea team, there is not much to learn, and I am obsessed with maintaining secrecy at all times. If an office is established in the Najin-Sonbong region in North Korea, I may have to live in a tent on the vast empty plain. This is why I avoid working on the North Korea team."

North Production Statistics Calculation Reviewed

SK0902122795 Seoul CHOSON ILBO in Korean 8 Feb 95 p 27

[From the "Common Sense on North Korea" column]

[FBIS Translated Text] The National Unification Board [NUB] reported North Korea's population in 1970 was 21.72 million. The U.S. tax administration bureau reported it was 21.41 million. There is a difference of 310,000 between the two reports. This is because they used different methods to calculate the population.

In other words, the NUB calculated North Korea's population based on the number of deputy candidates in the election for the Supreme People's Assembly conducted in 1990, while the U.S. tax administration bureau calculated North Korea's 1990 population based on 1987 population statistics, which were submitted behind closed doors to the UN Population Fund in 1989.

North Korea's per capita gross national product [GNP], as well, varies according to statistics bureaus. The NUB reported in 1992 that North Korea's per capita GNP was $943, however, the Research Institute for Asian Affairs under the U.S. Heritage Foundation estimated it to be $1,100. Such differences are attributed to the fact that North Korea does not publicize its statistical data or figures.

Of course, North Korea compiles statistics of its own in various fields, but never officially publicizes them. The practice of thoroughly controlling reporting statistics to the outside world is not only due to the inherent characteristics of socialism, but is also attributed to North Korean authorities' efforts not to reveal the backward economic situation in North Korea.

Statistics work is conducted by the Central Statistics Bureau under the Administration Council. This bureau determines final statistical data by compiling data from the administrative and economic committees of provinces, cities, and counties. Generally, final statistical data are compiled based on the information reported from frontline production units.

People tend to report that they overfulfilled their production quotas because they will be punished if they fail to achieve their planned production quotas. As a result, usually a big difference emerges between actual production output and reported production output.

For instance, in the case of rice, cooperative farms throughout the country report to their respective county statistics departments the number of 50 kg-rice bags they send to the state-run rice mill for processing as their total annual rice production output. The number of 50 kg-rice bags reported from the county statistics departments to the Central Statistics Bureau via provincial statistics bureaus is compiled by the Central Statistics Bureau to determine the total annual rice production output.

The rice in the bags, however, contains a large amount of grain ears, unripe rice, sprouted rice, and undried rice. Therefore, the actual rice production output is sharply reduced once the bagged rice processed at the mill.

ROK and western estimates of North Korea's statistics vary according to the sector involved. For industrial products, a compilation of North Korea's statistics is done by roughly estimating the size of production facilities, the degree of superannuation of the facilities, and workers' production capabilities; and, then, the rate of operation of those facilities is computed on the basis of the amount of energy supplied to those facilities.

Estimating agricultural production is more complicated. In the case of rice, farm land with similar soil and terrain conditions is selected and a cultivation rice test is conducted on the land. The per unit yield of rice is then calculated. The per unit yield is multiplied by the entire cultivated farm area in North Korea for the total rice yield in North Korea. In addition, damage caused by cold weather, drought, or flood by region is also considered. At the same time, damage caused by blight or harmful insects reported by the UN Food and Agriculture Organization is also considered when calculating statistics on rice production. In other words, the loss of rice production due to blight or insect damage is deducted.

Because of these difficult and complicated processes, it is imperative to collect basic information and data for more than five years, which requires a lot of time, to calculate various statistics regarding North Korea. This is why we cannot regard North Korea's statistics calculated two to three years ago as up-to-date.

Japanese Lawmaker Apologizes Over Arson Remarks

SK0902115095 Seoul YONHAP in English 1138 GMT 9 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 9 (YONHAP)—The Japanese upper house member who has caused a stir by alluding to possible arson by Korean residents during the recent disastrous earthquake in the Kobe area of Japan, Thursday called at the Korean Residents Union in Tokyo to apologize over what he said "my careless remarks."

"I apologize for carelessly discussing what I learned from a television program at an upper house session that was televised live," Councilor Nakamura Aiichi said.

Also at a press conference at the Korean residents union, Nakamura said he was sorry for making the remarks at the live-televised session.

The councilor said he apologizes especially because he made such careless remarks despite the fact that live televising of Diet sessions, in its nature, has much room

for misunderstanding since people are apt to view only parts of such television coverage.

Sin Yong-sang, head of the Korean Residents Union, said it was hardly understandable that the councilor quoted such an unfounded rumor at a Diet session.

Meanwhile, the upper house Budget Committee, in an executive meeting, decided to strike Nakamura's remarks at issue off the Diet minutes.

Foreign Ministry Denounces Remark

SK0902025395 Seoul YONHAP in English 0244 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—The South Korean Foreign Ministry denounced Thursday [9 February] a Japanese lawmaker who commented on the rumor that ethnic Koreans caused some of the fires at the quake-hit Kansai region, demanding that he make an official explanation on, and withdraw, his comment.

A ministry spokesman expressed a deep regret over Nakamura Aiichi's comments made at a Japanese parliamentary meeting Wednesday, fearing the comments could bring about unjust prejudices against Korean residents in Japan and adversely affect friendly relations between South Korea and Japan.

Both organizations of Korean residents in Japan, pro-Pyongyang Chochongnyon and pro-Seoul Mindan, issues statements denouncing the two-term Japanese lawmaker for his "senseless" act, calling for his apology and withdrawal of the remarks.

Nakamura's remarks reminded South Koreans of the painful memories of the great earthquake in Tokyo in 1923 when thousands of Koreans were slain by Japanese after rumours went around that Koreans were poisoning well water or setting fire to houses.

DLP Elects Hyon Kyong-tae as New Floor Leader

SK0902064995 Seoul YONHAP in English 0628 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—The ruling Democratic Liberal Party (DLP) elected Hyon Kyong-tae new floor leader in a vote in a DLP caucus meeting held at the National Assembly Thursday afternoon.

Rep. Hyon was elected to the post unanimously without competitors as another candidate Rep. Kim Yong-ku withdrew his candidacy.

Earlier in the day, President Kim Yong-sam nominated the two lawmakers to run in the limited competition held in accordance with the new party constitution and regulations revised at the Feb. 7 national convention.

Upon Kim's resignation, Hyon was elected in either a standing vote or a show of hands.

Reshuffle of DLP Key Party Posts Criticized

SK0902101395 Seoul HANGYORE SINMUN in Korean 9 Feb 95 p 3

[Editorial: "The Democratic Liberal Party Disregards Reform"]

[FBIS Translated Text] The Democratic Liberal Party [DLP] reshuffled its key party posts in the wake of its national convention. The DLP supposedly unfolded the result of the long-continued controversy over reform and globalization. Regrettably, however, few are convinced that the DLP has achieved reform. Voices of complaint are ringing out even among those within the DLP. The press in general is critical of the national convention and many voters are worried about the future of the DLP, for the ruling camp is split into two with the national convention as a turning point leading to the birth of a new political party, and there seems to be serious confusion within the DLP.

The greatest failure for the DLP national convention is the selection of Mr. Yi Chun-ku as chairman. The confusion witnessed in the course of designating Mr. Yi Chun-ku as chairman vividly shows the reality facing the DLP. President Kim Yong-sam's original choice was someone other than Yi Chun-ku, but President Kim reportedly changed his mind faced with strong opposition from the Democratic Justice Party faction. In such a confusing process, the delegates entered the site of the national convention unaware of who would be the chairman. Truly an undemocratic thing happened. Who is Mr. Yi Chun-ku, who emerged from this confusing process? It is well-known how he presided over the National Assembly session sometime ago by rushing bills through the Assembly by surprise. A graduate of the 14th class of the Korean Military Academy [KMA], he was chairman of the social cleanup committee in the wake of the Kwangju popular resistance, and directed all sorts of unreasonable acts. Through these acts, he contributed significantly to the establishment of the Fifth Republic. He was a key member of the so-called new military group. Therefore, his emergence will never justify the retreat of former Chairman Mr. Kim Chong-pil. We often hear people make the jeering remark: "Is it globalization to change the chairman from the eighth class to the 14th class of the KMA?" One can hardly find a suitable answer to this question.

Not only in the selection of the party chairman, but in a series of other processes—such as, whether to change the party name, the introduction of a competitive system in the selection of party post-holders, and even whether to abolish the advisory group—the DLP leadership ran about in confusion. This resulted from the lack of a firm philosophy and lack of insight into the future. Because they advocated reform and globalization without conviction or volition, their advocacy now appears to be a disrespectable political slogan. The only thing that became clear during the DLP national convention is that President Kim Yong-sam has now definitely brought the

DLP under his control. If the DLP had to undergo such confusion and vicissitudes to achieve this, the people who watched this process have good reason to be frustrated. However, because the people's judgments are made through elections, let us watch how this will affect the DLP in the upcoming local autonomy elections.

Pak Chan-chong on Candidacy for Seoul Mayoralty

SK0902105795 Seoul YONHAP in English 1019 GMT 9 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP)—Rep. Pak Chan-chong of the splinter New People's Party on Thursday in effect disclosed his plan to run in the upcoming Seoul mayoral election as an independent candidate.

When asked by the members of the Seoul chapter of Udang-hoe, a citizens group supporting him, to stand for the mayoral election, Pak said he would announce shortly whether to run in it.

During a meeting of the Udang-hoe Seoul chapter held at the Press Center, Pak said he has to study the issue very carefully because he said if he decides to vie in the election, it would mean he has to give up his hitherto efforts to prepare for his future presidential candidacy.

A source said Pak would formally declare his mayoral candidacy and also his bolting from the New People's Party in a press conference in early March.

Farmers Able To Obtain Technology on Computers

SK0902023095 Seoul THE KOREA TIMES in English 9 Feb 95 p 3

[FBIS Transcribed Text] Farmers are now able to obtain the most up-to-date agricultural technologies from farming experts through computer terminals, the Information-Communications Ministry said yesterday, launching the nation's first video system to teach agricultural technology.

Starting from today, three farming guidance offices at Ansong, Kyonggi Province, Kimje, North Cholla Province and Haman, South Kyongsang Province will be linked to four agricultural institutes by a computer network, the ministry spokesman said.

One of the three pilot programs of the Information Superhighway Project, the agricultural information network is expected to serve as a stepping stone for the modernization and informatization of rural areas, he said.

Of the other two pilot programs, a "tele-medicare system" was introduced in November last year in clinics in Kurye, South Cholla Province and Uljin, South Kyongsang Province, while a "tele-education system" is scheduled to operate in March.

The guidance offices in the three regions will exchange and obtain information on farming technologies through multimedia personal computers and VTRs (video tape recorder).

Brunei, Malaysia & Singapore

Malaysia

Mahathir Backs Taiwan's Membership in EAEC

BK0802140395 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 8 Feb 95

[FBIS Translated Excerpt] Responding to journalists in Kuala Terengganu today, Prime Minister Datuk Sri Dr. Mahathir Mohamed said that Taiwan can become a member of the East Asia Economic Caucus, EAEC, as an economic entity, but not a country. He reiterated that there is no reason to prevent Taiwan from doing so, especially since Taiwan is also a member of the APEC forum. [passage omitted]

Editorial Views Benefits Under GSP Status

BK0902065595 Kuala Lumpur BERITA HARIAN in Malay 8 Feb 95 p 6

[Editorial: "GSP: There is No Need for Malaysia To Be Worried"]

[FBIS Translated Text] Local producers have finally expressed relief over the clarification that Malaysia will continue to enjoy benefits under the generalized system of preferences [GSP] offered by the EU. The announcement by the Ministry of International Trade and Industry refuted a report disseminated last week that the benefits will cease in December 1997. The Ministry of International Trade and Industry said in the statement that the report was untrue. As a matter of fact, the EU has yet to make any decision on the full elevation of the status of any countries which will result in their being phased out of the GSP scheme.

Following the clarification, the local producers, who regard any revocation of the benefits as unfair, will again be able to look to the European market. Indeed, the anxiety over the GSP status should not have been raised right away. Surprisingly, how could the GSP revocation issue, which was later denied, have emerged? The report that Malaysia's GSP benefits would cease cited comments by Datuk Renji Sathiah, head of the Malaysian Mission to the EU. However, it remains unclear whether Sathiah was the main source of the report.

It would be surprising if that was the case because he is a widely experienced diplomat, who served as deputy secretary general II [Roman two] of the Ministry of Foreign Affairs before assuming the present post. Were Sathiah's comments misquoted? Nevertheless, the issue, which should not have emerged, had led to anxiety among producers and could well have discouraged those who want to invest in the country to enjoy the GSP benefits offered by the EU. A senior government official should be careful in making comments on policies because there may be great implications, and, indeed, reports on the GSP draw attention. Many producers, especially those involved in the manufacturing of primary commodity-based goods, hope to obtain the benefits to get a foothold in well-established and very competitive markets.

The GSP offered by the EU makes up most of Malaysia's total exports under the system. Malaysia also enjoys export benefits from the United States and Japan in addition to the EU. According to the latest report, Malaysia's exports under the GSP represented only 13.5 percent of the total exports in 1993. In terms of value, exports under the GSP amounted to RM [Malaysian ringgit] 15.25 billion out of RM112 billion. Forty-five percent or RM7.35 billion went to the EU. Although the value of the exports under the GSP is increasing, the GSP share in the country's exports is in fact decreasing as a whole. The share was 14 percent in 1992 and 13.5 percent in 1993 and is expected to further decline this year.

The significance of the GSP for fast developing countries such as Malaysia is expected to further decrease in years to come because the reduction or abolition of import tariffs and duties under the system is no longer something special. The GSP will become more obsolete if the results of the Uruguay Round under the GATT, which has been replaced by the WTO [World Trade Organization], are fully implemented.

When we talk about the GSP, we in fact often forget to notice that facilities under the system are not one-way. The GSP was originally aimed at promoting development in and diversifying the exports of developing countries. Under the system, developed countries or industries reduce or abolish import tariffs and duties on certain products exported by developing countries. Developed countries and industries, which are said to provide the facilities because they have many advantages in terms of capital, technology, expertise, and marketing network, want to give developing countries the opportunity to expand exports. However, the assistance is in fact advantageous not only for the beneficiary countries but also for the donor countries because developing countries increase their incomes as they expand their exports. Higher incomes mean that developing countries can buy more goods, including those produced by developed countries.

Article Reports on 1994 Palm Oil Exports

BK0902022695 Kuala Lumpur UTUSAN MALAYSIA in Malay 8 Feb 95 p 9

[FBIS Translated Excerpt] Kuala Lumpur, 7 Feb—The PRC replaced Pakistan as the biggest buyer of Malaysia's palm oil by importing 1.279 million tonnes of the commodity during the period from January to November 1994. During the same period, Pakistan imported 1.015 tonnes of palm oil.

In the January 1995 edition of "Palm Oil Update" journal, the Palm Oil Registration and Licensing Agency disclosed that Pakistan was the biggest buyer in 1993 by importing 942.467 tonnes of palm oil, while China imported 698.224 tonnes.

Malaysia's total export of palm oil in 1994 increased to 6.129 million tonnes as opposed to 5.578 tonnes in 1993. Other buyers of Malaysia's palm oil in 1994 included the European Union (588.816 tonnes), Singapore (345.396 tonnes), and Egypt (321.501 tonnes). [passage omitted]

Mahathir on Motor Vehicle Production Plans

BK0902094295 Kuala Lumpur UTUSAN MALAYSIA in Malay 8 Feb 95 p 1

[Report by Zulkiflee Bakar and Sabaruddin Ahmad Sabri]

[FBIS Translated Excerpt] Kuala Lumpur, 7 Feb—Malaysia will have its own range of motor vehicles by the year 2020, including the one-ton truck project and the proposed Pero Dua van, which are in the process of being manufactured.

The prime minister was replying to questions from journalists after witnessing the signing of a memorandum of understanding between Malaysia's Diversified Resources Limited and two Japanese giants, Kawasaki Heavy Industries Limited and Nissaho Iwai Corporation, to jointly produce 90-cc and 110-cc motorcycles and small engines in Kuala Lumpur.

Asked when the van project could begin, Dr. Mahathir said the project would be launched soon. "Malaysia always moves fast," he said.

On the transfer of technology from Japan to Malaysia, Dr. Mahathir said that the government has asked Japan's Kawasaki Heavy Industries Limited to transfer its technology to its Malaysian counterpart as fast as possible.

Cambodia

Commentary Supports U.S. Genocide Investigation

BK0902033995 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 8 Feb 95

[Political commentary: "The Last Ditch and Adventurous Ploy of the Khmer Rouge"]

[FBIS Translated Text] The weakening Khmer Rouge [KR] outlaws—now heading straight for total disintegration—recently issued an appeal to their outlaw village and commune headmen to set up commissions to collect proof of what they called the heinous crimes perpetrated by the United States in their villages and communes since 1955. The KR clandestine radio also called on any citizen who had any documentary proof, either major or minor, of the crimes committed by the U.S. imperialists against Cambodia to send it to the so-called provisional KR government so it can be publicized. The radio also vociferously announced that the bandit provisional government will commemorate these crimes during March.

Experts on the KR group say the KR's appeal was in response to the recent grant of $500,000 by the U.S. Government to researchers at Yale University to study and establish a file on KR war crimes and acts of genocide, a grant that has been widely applauded by people throughout our country.

Our people support the research and collection of evidence on the crimes committed by the KR against millions of Cambodians in just three years, eight months, and 20 days. It should be recalled that during the 1970-1975 war—a period of five years and one month—the death toll among our people, including those who died in the armed forces on both sides, only amounted to some 600,000 people. Therefore, if we compare these war casualties with the crimes committed by the Pol Pot-Ta Mok-Ieng Sary-Khieu Samphan clique during a period of just over three years—when they clubbed people with the backs of hoes, bamboo shafts, and cart axle trees and when they starved them to death and imposed crushing labor on them—we see the same vast difference that exists between earth and sky.

For this reason, our people must increase their efforts to gather proof of the crimes perpetrated by the KR during their reign of terror and in subsequent periods and preserve it forever, not only to bring the ringleaders before the international court but to let future generations know and thereby take appropriate precautions to prevent these monsters from returning to power.

This explains why the KR became extremely indignant and furious after the United States set up an office to study KR crimes with a projected annual budget of $400,000 and after it granted a $500,000 research fund to Yale University. Because of their diminishing strength resulting from the growing rate of defection by their men to the Royal Government, the KR have been unable to do anything more than make a vociferous appeal for the creation of their own commissions.

Our people, who used to be cheap slaves of the KR and victims of their genocidal policy, are well aware of the perfidy of such an idiotic appeal. In reality, it is nothing but a ploy to conduct another savage internal purge. It should be remembered that at the end of 1994, Pol Pot, under his secret code name 99, appealed to his subordinates to expose anyone he considered an enemy. He used their readiness to attack and burn the people as a yardstick; that is, anyone who does not hesitate to burn and kill the people is considered a real man while anyone who hesitates is considered an enemy and as such, in his own words, must be solved [daoh sray] and must not be spared.

Now the KR are appealing again to their village and commune headmen to set up commissions to collect proof of U.S. war crimes. They have ordered those living under their oppressive control to provide them with some proof; any proof. Anyone who refuses or fails to provide some kind of proof will give them an excuse to arrest and execute him along with the rest of his family in line with their often-used dictum: To weed out, the weed must be uprooted.

Generally speaking, the KR announcement about the creation of commissions to document U.S. crimes is just another pretext for them to continue massacring people under their control and those in remote localities. Therefore, we must all rally around his majesty the king and take every measure to shut out and stop this criminal KR scheme. Moreover, everyone who survived the three years, eight months, and 20 days of KR torture must preserve every piece of evidence of these crimes and cooperate with the U.S. research office and Yale University so that they will be prosecuted and punished for their crimes.

NADK Warns U.S., Australian, French People

BK0802134995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Feb 95

["Warning to Americans, Australians, and French Persons Who Have Come To Join Communist Vietnam To Commit Aggression and Kill the Cambodian Nation and People; They Should Be Fully Responsible for All the Consequences"]

[FBIS Translated Text] 1. The Cambodian nation and people and the National Army of Democratic Kampuchea [NADK] would like to warn nationals of the United States, Australia, and France who have come to join the communist Vietnamese aggressors to kill the Cambodian nation and people that they will be fully responsible for all the consequences whether in Phnom Penh, Battambang, Siem Reap, Preah Vihear, Pursat, or in all other provinces.

2. The Cambodian nation and people and the NADK do not need war. They want peace and a peaceful life. However, you have come to join the communist Vietnamese aggressors to massacre the Cambodian race. You have to be fully responsible because you are the aggressors and criminals, and therefore, you should be punished.

As for the Cambodian nation and people and the NADK, they love their nation; they fight to defend their nation. In battle, they are killed, wounded, or maimed. They go through hardship and are victims of endless pain and misery. They want to end the war; they want peace and want to live peacefully.

Since you have come to do battle, if this affects you, do not shout. If you cry, do not come to fight; go back. That would be the end of it.

KR Claim Control of Route 12 in Preah Vihear

BK0802140195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Feb 95

[FBIS Translated Text] On 6 February 1995, the two-headed government gathered 900 soldiers from Division 2 in Kompong Thom and Division 14 and the Preah Vihear provincial units, with the support of many tanks, armored vehicles, and artillery pieces, in an attempt to take back Route 12, which has been occupied and cut off by our army and people since December 1994.

After a full day of fighting, we completely succeeded in this offensive. We killed 15 enemies soldiers, whose bodies were left south of Phnum Dek, and wounded 22 others. We hit and burned an armored vehicle and four big vehicles. We killed two generals of the two-headed government. We seized two pistols and destroyed four field radios and 35 assorted weapons.

We continue to occupy Route 12 and are adding many more layers of mines and poisoned and plain punji stakes.

KR Censured for Choice To Continue War

BK0802080895 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 7 Feb 95

[Station commentary: "The Only Route the Khmer Rouge Is Choosing To Take Is the One Perpetuating the War To Ruin the Nation"]

[FBIS Translated Text] In January, the outlawed Khmer Rouge [KR] rebels rejected the revered king's important appeal calling for national unification based on respect for the constitution that he promulgated on 24 September 1993. Also, the rebels and bandits adamantly urged the people to rise up and continue the so-called struggle against the Royal Government. Their activities are viewed by analysts as insolent and arrogant.

It is worth recalling that since his return to Cambodia in early January, His Majesty has, time and time again, appealed to the KR, whom he also regards as his children, to give up their armed struggle, return to the national society, and respect the constitution, the product of the UN-organized free general elections. The father of national unification has also proposed that the ringleaders, such as Pol Pot and Ta Mok, whose hands are stained with the people's blood and who must be tried by an international tribunal, should retire, leave the country, and take residence in whatever country they like. As for Khieu Samphan and a number of other KR elements, they are free to join the Royal Government, create political parties, and set up as many newspapers as they desire, the king said.

This is His Majesty's national unification policy. The Royal Government and our entire people wish to declare solemnly that they support and heed the policy unconditionally. The clear-sighted initiative of the father of national independence succeeded on 23 October 1991 when all the contending Cambodian parties concurred in signing the Paris peace accord in the presence of the five permanent members of the UN Security Council and the international community.

However, with the gambit to seize power and the intent to further massacre the people further, the KR dodged the implementation of what it had penned its signature to, thereby preventing the revered king's national unification policy from scoring a 100 percent success as expected by the monarch and people.

Perceiving the warmongering maneuvers and insane political ambition of their chieftains, thousands of KR officers and rank and file have broke loose from the rebellious ranks and returned to the national society one after the other. In 1994 only, over 5,000 repentant compatriots, with many thousands of guns, deserted the KR ranks and joined the Royal Government. This made the king's national unification policy more and more successful but the KR ringleaders more and more furious treacherous, and poisonous.

Along with ordering their men to intensify offensives and harassments and burn houses, paddy, rice, and property belonging to the people, the KR ringleaders, especially criminal Pol Pot, whose code name is 99, have undertaken an internal purge and eliminated those hesitating to kill the people, blow up bridges, and destroy railroads and the people's life and property.

Their aforementioned senseless activities are seen by national and international observers as absurd actions aimed at digging their own grave. In particular, their rejection of the king's latest appeal is evidence that the only route they are choosing to take is to perpetuate war, bleed the nation, return to power, and commit genocide again. Their delusion runs counter to the world's prevailing tendency and the people's aspiration for nothing but peace and national unification under the cool shade of the king.

Indonesia

PRC, Manila Urged To Resolve Spratlys Row

BK0902070495 Hong Kong AFP in English 0656 GMT 9 Feb 95

[FBIS Transcribed Text] Jakarta, Feb 9 (AFP)—Indonesia on Thursday urged China and the Philippines to peacefully resolve their dispute about the alleged presence of Chinese ships and structures on a reef claimed by Manila in the disputed Spratly Islands.

"We have always said that all the parties should come together in a dialogue," Indonesia's foreign ministry spokesman, Irawan Abidin, told AFP.

Indonesia has already sponsored five workshops since 1990 for nations that have claims on the Spratly Islands in an attempt to engage them in a peaceful dialogue.

Irawan said another such forum would take place soon, although the final dates and venues had yet to be settled.

"We do hope that all sides restrain from having an open conflict...because we have already gone through these talks with the claiming parties," he said.

"Hopefully, they will not go further than rhetoric," he said, referring to the current dispute.

China claims it has only set up some fishing support facilities to ensure the safety of fisherman on what is called Meijijiao by Beijing, or the Panganiban Reef by Manila.

Philippines President Fidel Ramos said Wednesday that the Department of National Defence had verified the existence of Chinese warships and structures on the reef.

The Spratly chain—believed to be sitting on significant deposits of oil and natural gas—is claimed in all or part by China, the Philippines, Vietnam, Malaysia, Brunei and Taiwan.

The South China Sea is regarded as a potential flashpoint for regional conflict because all claimants, except Brunei, have military forces occupying some of the disputed islands.

Editorial Views International Law of Sea

BK0802134495 Jakarta SUARA PEMBARUAN in Indonesian 7 Feb 95 p 2

[Editorial: "Indonesia's Obligation and Other Countries' Rights to the Seas"—passages in italics published in English]

[FBIS Translated Text] President Suharto, on Monday (6 February) appointed 16 new ambassadors of the Republic of Indonesia. One of them is Dr. Hasyim Jalal, who has been appointed ambassador at large with the specific duty of handling all matters concerning the law of the sea and sea operations. Although no specifications of the new roving ambassador's job have been announced, his assignment to handle legal matters pertaining to the sea and sea operations, is understandable since Indonesia is an archipelagic state.

The appointment of Dr. Hasyim Jalal as the special roving ambassador is appropriate, because despite his not being a lawyer, his experience and knowledge about Indonesia's struggle to win international recognition for rights of the sea, especially at the United Nations Conference on the Law of the Sea III [UNCLOS III] from 1973 to 1982, are valuable assets that will enable him to perform his new duties.

It is known that the former Indonesian ambassador to Germany was vice chairman of the Indonesian delegation to the UNCLOS III, led by Dr. Mokhtar Kusumaatmaja. Although Dr. Hasyim Jalal is not a lawyer, this graduate of the Foreign Relations Academy (1956), who majored in politics, attained his Doctor of Philosophy Degree from the *University of Virginia, Charlottesville, USA* (1961) through his thesis on *The Limit of Territorial Waters in International Law* after he obtained his *Master's Degree* in 1959 from the same university.

His experience in actively following, negotiating, and participating in various international conferences and negotiations on the Law of the Sea, especially in struggling for the archipelagic state principles to win the international recognition at the 1982 Law of the Sea Convention—effective as of 16 November 1994—on which he elaborates in his book entitled "Indonesia's Struggle in the Law of the Sea," will contribute effectively to his success in carrying out his new duty.

His new duty, however, is not an easy one. The challenges that Indonesia has to face is very much different from those in the last three decades. In the last three decades, Indonesia had to struggle for recognition of the archipelagic state principles contained in the Djuanda Declaration of 13 December 1957. Now that the archipelagic state principles have received international recognition at the 1982 Law of the Sea Convention, Indonesia is to implement the convention as an archipelagic state.

The changes that Indonesia has to face are not easier than the struggle for the recognition of the archipelagic state principles at the UNCLOS III.

To cite an example, Indonesia has to determine the *straight archipelagic baseline, closing line* and *territorial* border line with neighboring countries, additional zone lines, safe passage lanes, transit lanes, interisland lanes, continental shelf borderlines and so on. National laws concerning sea operations must also be adjusted to suit the provisions in the 1982 International Law of the Sea Convention.

The work is not only quite hard and complicated, but also involves intersectoral coordination, as there are overlapping policies on access to the sea made by certain states' agencies.

Furthermore, advanced maritime countries have an impression that Indonesia has the most advantage at the 1982 Law of the Sea Convention, but that this country has not maximally tried to perform its obligation to serve the interest of other countries whose ships pass through Indonesia's territorial waters. For example, there are three rights of passage under Indonesia's jurisdiction: the right to safe passage, transit passage, and interisland passage. The ruling on these rights have not been adjusted to suit the provisions of the convention.

The other important thing is fishing rights in Indonesia's exclusive economic zone in which some foreign countries may be allowed to fish after Indonesia determines the amount of fish it can catch in the zone.

The world also knows that some of Indonesia's regulations on sea operations are not consistent with and are even controversial to the 1982 Law of the Sea Convention. Besides, like it or not, we are entering the liberalized trade system. We have to dutifully perform our international obligations as provided under the 1982 Law of the Sea Convention.

It is obvious that the task of the ambassador at large is a difficult one in the effort to realize the Law of the Sea. The provisions of the Law of the Sea Convention have to be absorbed into the national law system as well so it can be effectively implemented.

Human Rights Team To Probe East Timor Case

BK0902064895 Jakarta MERDEKA in Indonesian 9 Feb 95 p 1

[FBIS Translated Text] Jakarta, Wednesday [8 February], MERDEKA—The National Commission on Human Rights will send a fact finding team to East Timor to determine whether there were any human rights violations in the killing of six civilians in Liquica, East Timor last January.

Ali Said, chairman of the National Commission on Human Rights, accompanied by Commission Secretary General Baharuddin Lopa and two members, Marzuki Darusman and Clementino dos Reis Amaral, said during a news conference at the Secretariat of the National Commission on Human Rights on 2 Veteran Street in Jakarta on Wednesday that the team—made up of Clementino dos Reis Amaral as chairman plus two members—will leave for the province this month.

According to Ali Said, the National Commission on Human Rights received a report on the killings from reliable sources in addition to learning of the incident through the BBC, Radio Australia, and Radio Netherlands.

Ali Said, however, said that it remained unclear why the six East Timorese were killed and who the killers were. A monitoring team will thus be sent there to collect the facts.

"The team should go there to observe the actual situation," he said, adding that the commission was positive that the six East Timorese had died. They will investigate the deaths to find out who killed them, however.

"The National Commission on Human Rights would deeply regret the incident if there were any human rights violations. Not only do such violations affect the victims, they also undermine the interests of the nation and state," said the former chairman of the Supreme Court of the Republic of Indonesia.

He also promised to reveal the results of the investigation through the mass media. "If the investigation reveals that the ABRI [Armed Forces of the Republic of Indonesia] murdered them, the culprits will be reprimanded and identified through the press."

According to Amaral, information received from the ABRI stated that the six residents of Liquica District were Fretilin [Revolutionary Front for an Independent East Timor] members who were killed in an armed encounter with ABRI soldiers.

"We do not know precisely what really happened. Thus the team will go to the field," he said.

Answering questions, Ali Said stressed that the formation of the team to investigate the killing of the six East Timorese civilians was not solely due to foreign radio reports but also due to fears about human rights violations in the case.

"How can human rights violations be tolerated," he asked.

Accordingly, Ali Said said that anyone who violates human rights will be pursued and reprimanded.

Group of 'Ninjas' Reportedly Terrorize Timorese

BR0802152695 Lisbon DIARIO DE NOTICIAS in Portuguese 7 Feb 95 p 7

[Unattributed report: "'Ninjas' Kill Timorese"]

[FBIS Translated Text] Deputy Manuel Carrascalao revealed yesterday that a group of masked terrorists, who wear black and always strike at night, had killed eight Timorese known for their pro-independence stance.

The member of local parliament and member of the ruling Golkar party told a group of foreign journalists that the band known as the "Ninjas" had started to terrorize people in the Dili district and four other surrounding areas. Resistance sources in Lisbon told DIARIO DE NOTICIAS that the bodies of two young men had turned up on Coqueiros beach in Taibesi and it was later confirmed that a further six youths had disappeared.

The "Ninjas" work in groups of 15 to 20. They wear black clothes and masks. Only yesterday they attacked the house of a Timorese (Mr. Matias, a nurse) and beat his wife. According to the resistance sources, the band comprises a mixture of Timorese informers and Indonesians commanded by secret service agents.

Civil Vice Governor Joahanes Haribowo confirmed that such acts of terrorism were being perpetrated against the Timorese population but the military has maintained total silence on the subject. Meanwhile it was rumored that a group of around 600 mercenaries is being set up, consisting mostly of Indonesian immigrants and targeting young independence fighters.

Thailand

Saudi Diplomat: Bilateral Ties 'Normal'

BK0902054995 Bangkok THE NATION in English 9 Feb 95 p A2

[FBIS Translated Text] Saudi Charge d'Affairs Mohammed Said Khoja said yesterday that Thai-Saudi Arabian ties, soured for several years, had returned to normal following the achievements of Thai police in clearing up the Saudi jewelry scandal.

Khoja said Saudi Arabia is satisfied with what is going on in Thailand and the progress shown by Thai police in the last few months.

"Relations between Thailand and Saudi Arabia are normal now," Khoja said. The envoy yesterday paid a courtesy call on outgoing Foreign Minister Thaksin Shinnawat at the Foreign Ministry.

Bilateral ties have suffered for years after Saudi Arabia discovered that stolen jewelry returned to them by Thai police was fake and a large portion of the loot was missing. Riyadh has frozen entry visas for Thai workers and refused the granting of re-entry visas for those already there.

Also affecting ties between the two countries was the murders of four Saudi diplomats in separate incidents in Bangkok.

Also yesterday, Thaksin told reporters that he had urged Khoja to consider Thailand's attempts at solving the Saudi cases.

"I informed Mr. Khoja that bilateral ties should return to normal and each country should be represented in the other by ambassador- level officials," said Thaksin.

Following the missing stolen jewelry case and the murders of the Saudi diplomats, Bangkok and Riyadh have limited their diplomatic representatives to charge d'affairs.

Khoja said Riyadh had not yet officially asked the Thai police team to return the retrieved gems to Prince Faisal as Saudi Arabia is presently observing Ramadan, during which offices are closed.

Thaksin said the Thai police are expected to go to Riyadh to return the retrieved gems in April.

Khoja said: "I told the minister that I expected the team, Deputy Police Director General Police General Pracha Phromnok and Police Major General Wannarat Khotcharak, to now move on to the next step, the assassination of the Saudi diplomats.

"After things are over, people will see a new era in bilateral ties," the envoy said, adding that it was his intention to put ties on the right track.

Thaksin said his discussion with Khoja involved past issues. He quoted Khoja as saying that the Riyadh government had assigned him here for only three months, and if the case could not be solved, he was instructed to close down the embassy.

Krasae Chanawong Named New Foreign Minister

Nominated by Phalang Tham

BK0802015595 Bangkok Radio Thailand Network in Thai 0000 GMT 8 Feb 95

[FBIS Translated Text] The Executive Committee of the Phalang Tham Party held a meeting yesterday evening at the party's head office in Bangkok.

The meeting decided to submit the following names to the prime minister for the following ministerial posts: Dr. Krasae Chanawong was proposed for the post of minister of foreign affairs and Thawin Phraison, former deputy president of the House of Representatives, for the post of minister of the State University Bureau.

Urged To Focus on Economy

BK0902054795 Bangkok BANGKOK POST in English 9 Feb 95 p 2

[FBIS Transcribed Text] The Phalang Tham Party has told Foreign Minister-designate Krasae Chanawong to concentrate on economic affairs and continue the policy laid down by Thaksin Shinnawat who will step down from the post on Saturday.

Party sources said after unanimously selecting him to replace Mr. Thaksin on Tuesday, the party administrative committee told Dr. Krasae to focus on economic-led foreign affairs policy even though he might not be well-versed in such matters.

Sources said party leader Chamlong Simuang also asked Dr. Krasae to study economic matters since the policy laid down by Mr. Thaksin has not yet seen benefits.

Dr. Krasae should ensure this is achieved by the end of the Government's term, said Maj. Gen. Chamlong.

Dr. Krasae, who received a Magsaysay Award for community service work with the poor, reportedly told the administrative committee on Tuesday he will do his best to achieve this goal.

However, Maj. Gen. Chamlong's economic advisory team composing of big businessmen and bankers expressed worry that Dr. Krasae, a physician by training, would be weak in economic affairs.

They proposed an economics team be formed to work for the new foreign minister.

But Maj. Gen. Chamlong objected to this saying it will be interference in the work of Dr. Krasae as well as Foreign Ministry officials.

Dr. Krasae yesterday told reporters he was worried about his new portfolio but since the party had confidence in him, he would do his best and would not be a disappointment to the party leader and members.

"I will do my duty for the country so that it will satisfy the expectations of the party leader and my friends," he said.

Meanwhile, Democrat and Chat Phatthana ministers yesterday hailed Dr. Krasae's nomination to replace outgoing Foreign Minister Thaksin Shinnawat.

Interior Minister Sanan Khachonprasat of the Democrat Party said the nomination is appropriate because Dr. Krasae has experience in several fields.

Maj. Gen. Sanan said he didn't think there would be any problem with continuity of foreign policy and he said he believed Dr. Krasae would help ease internal conflict in the Phalang Tham Party.

The Interior Minister said he did not think a change of foreign minister would affect the country's image in the international community.

Central Bank Rejects Moody Critique of System

BK0902065795 Bangkok THE NATION in English 9 Feb 95 p B12

[Report by Charuwan Loetwinyu]

[FBIS Translated Text] The Bank of Thailand yesterday struck back over the Moody's report which raised four areas of concern in the Thai banking system, saying that the analysis was based on portions of information only.

Thirachai Phuwanatnaranuban, the central bank's director of bank and finance institutions development and supervision department, said lack of total information has disappointingly lead to a wrong analysis.

Moody's Investors Service Co released a report last week attacking Thailand on four areas. The country, it said, depended too much on short-term foreign capital flowing in through the Bangkok International Banking Facility (BIBF). Thai banks have spent too much on the more vulnerable sectors of their loan portfolios including tourism (especially in the luxury hotel sector), golf courses and prime-office space in Bangkok. Its loan and deposit ratio is too high. Finally, Thai banking and industry sectors are concentrated in the few hands of 16 corporate and family groups.

This is the second time in less than a month that Thailand has been attacked by foreign financial institutions. In January, Credit Lyonnais Securities wrote in its report over baht [Bt] vulnerability that the country overly depended on short-term capital. The report led to an unfounded baht devaluation [as published] which rocked local money and foreign exchange markets for days.

On the first issue, Thirachai admitted that foreign loans borrowed by commercial banks in Thailand shot up from Bt154 billion in late 1992 to over Bt529 billion in September, 1994.

But what analysts should know, he said, is that of the Bt529 billion foreign loans made by banks last year, about Bt420 billion were approved by BIBFs.

"This means the banks needed only Bt100 billion to fund their lending," he insisted.

Depending more on BIBF loans does not indicate the country has shifted from relying upon long-term lower-risk capital to funds from short-term higher-risk sources as reported, he said.

Despite being short-term, BIBF loans do not necessarily come with higher risk. "Loans under the BIBF are neither used to finance the current account deficit nor increase the country's risk."

Banks borrowing through the BIBF aren't carrying the risks since they will re-lend it to clients. In retrospect, each client is highly sophisticated with an international reputation, who borrows on average U.S. $50 million, "and thus is usually labelled as low risk," he said.

On the second issue in which Moody's attacked Thailand for spending too much on vulnerable sectors such as golf courses, Thirachai said Thailand is the only country which issues banks a warning about loans made to these sectors.

Thirachai also criticized the way Moody's compared the real estate lending growth of 20 percent with the gross domestic product growth of 7 percent, as "inapplicable to Thailand."

The two rates cannot be compared as more than 50 percent of the Thai population is now under 25 years old and thus there is a huge demand for mortgage loans. Instead of comparing it with GDP growth, the real estate lending growth should be compared with the total loan lending, which currently stands at 30 percent.

Besides, what Moody's should know is that of the Bt8 billion lending to golf course projects, most are geared towards housing developments around the golf courses, not the courses themselves. The courses, said Thirachai, now finance themselves by membership fees rather than bank loans.

Towards the third criticism that Thailand's loan to deposit ratio is skyrocketing, Thirachai said the figure may disguise certain facts. Combined with BIBF credits, the ratio at the end of 1994 was 127. But if the BIBF loans are excluded, loans will be only 10 percent higher than deposits.

"The 110 ratio means all baht loans lent by Thai and foreign banks here are included. Should baht loans made by foreign banks be excluded, the ratio will even reduce more," he said.

Thirachai also said the ratio will decline more thanks to the interest rate rise. In December alone, commercial banks collected Bt90 billion in deposits, as opposed to only Bt20-30 billion in each of the previous months.

Finally, to Moody's criticism that Thai banks are shared between only 16 corporate and family groups and "because of these close links, the banks would be especially vulnerable in the event of an economic slowdown," Thirachai said: "such comments are so archaic because that's what happened even before I was born."

Thirachai blasted the analysis saying that Moody's fails to see that while Thai banks constantly increase their capital, the stakes of shareholders don't increase at a proportional rate.

Board of Investment To Move Office to Osaka

BK0802045595 Bangkok BUSINESS DAY in English 8 Feb 95 p 1

[FBIS Transcribed Text] The Cabinet yesterday approved a proposal by the Board of Investment to move its office from Hong Kong to Osaka, in an effort to bring in more Japanese investments.

The cost of setting up the new office in Osaka, a major industrial center in Japan, will be about 100 million baht.

Akharaphon Sorasuchat, the Government spokesman, said the reason for the move was the reduced importance of Hong Kong as a source of investment.

The number of Hong Kong investors in Thailand over the past few years has declined, from 7.2 billion baht in 1991 to 6.6 billion baht in 1 993 .

On the other hand, Japanese investment in Thailand increased from 50 billion baht in 1991 to 65 billion baht in 1993.

Mr Akharaphon said Osaka was the Japanese center for industries such as car parts, electronic parts and telecom accessories—three major products that are being promoted by the Board of Investment.

The office in Osaka will be called the Advisory Bureau on Trade and Investment.

The Thai government expects that in the next three years 2,000 Japanese projects, both small and medium-sized, will be attracted to Thailand. The total Japanese investment is valued at 200 billion baht and is expected to create 160,000 jobs.

A source at the Board of Investment said the board first set up in Hong Kong in the hope that the uncertainties at that time about the transfer of Hong Kong sovereignty to China in 1997 would result in more investments in Thailand.

But in recent years Hong Kong investors have shown greater interest in countries with lower average wages than Thailand's.

Other investors from the city already have investments in Thailand, but are not investing in new projects.

Osaka was picked as a more likely source of future capital inflow, the source said, and Japanese investors were poised to transfer their industrial bases to countries like Thailand.

Burmese Troops Attack KNU Post Near Border

BK0902051695 Bangkok BANGKOK POST in English 9 Feb 95 pp 1, 2

[FBIS Transcribed Text] More than 40 Burmese troops were killed yesterday as they attempted to storm the last remaining Karen National Union [KNU] base at Kawmoora, some 25 kilometres north of Mae Sot District.

A Karen guerrilla, an eye-witness to the assault, said the Burmese army troops were blown to pieces when they entered the heavily-mined defensive perimeter of the last major KNU stronghold.

He added that some government soldiers were seriously wounded and five were captured after they managed to evade the minefields and the shootout between the two sides that followed the daring assault.

The Karen officer said the Burmese army sent in two assault forces, each numbering about 100 men at about 9 a.m. He described the 40 killed in the attack on the base as "very brave men who just walked through the minefields oblivious of the exploding mines and KNU bullets."

He also said according to a government radio message intercepted by the KNU, the Burmese army had ordered the 100 or more troops who had retreated from the minefields to capture Kawmoora at all costs.

"The special assault groups are believed to have been heavily drugged to have carried out the suicide attack on the KNU base," said the Karen officer. He added that some of the seriously wounded in the minefields are still alive.

Another source said it is common practice by the Burmese military regime to inject their frontline soldiers, especially suicide squads, with a certain drug that numbs the sense of pain and fear in a man.

"They become like zombies, fearing neither pain nor death," the source said.

Meanwhile Brig-Gen [Brigadier General] Taw La, commander of Kawmoora, said the KNLA (Karen National Liberation Army) has no intention of abandoning the base.

"It has also established mobile units to stage hit and run attacks against Burmese troops," he said.

A source in the Thai border security force in Mae Sot, Tak, said fighting in Burma was clearly heard throughout yesterday.

The Burmese ground attack on Kawmoora followed shelling of the camp with more than 2,000 rounds of mortar and recoilless gun fire which began on Tuesday, the source said.

Thai forces went on full alert yesterday after being told that a number of Burmese soldiers had crossed the Moei river to the Thai side of the border at Ban Wang Kaeow early yesterday morning in order to attack Kawmoora from the south.

The report, which was not confirmed, said a clash broke out after Burmese troops who managed to cross to the Thai side of the border opened fire at Kawmoora camp with machineguns and rifles, prompting KNU soldiers to return fire.

A Border Patrol Police source said a number of artillery rounds landed at Ban Wang Kaeow, some of which exploded in midair. Thai border security forces fired 30 warning rounds using 105- and 81-mm mortars.

Fighting died down late in the afternoon.

Rangoon troops have tried to overrun Kawmoora many times without success.

Three fresh Burmese battalions were reported to have reinforced the area, indicating Rangoon's determination to take Kawmoora "at all costs".

[Bangkok THE NATION in English on 9 February in a similar report adds: "Fifty Burmese troops who crossed the Moei River into Thailand yesterday morning in an attempt to launch a rear attack against a Karen stronghold opposite Thailand's northern province of Tak, were repulsed after the Thai Army fired an artillery shot to warn them of their territorial transgression.

["The Army also fired several rounds of heavy artillery and smoke canisters as a warning after the Burmese army fired at least 10 heavy artillery rounds, including antipersonnel shells, into Thai territory yesterday.

["The shelling stopped at about 5 pm."]

Official Urges Alert Against Sabotage in South

BK0702065395 Bangkok BANGKOK POST in English 7 Feb 95 p 9

[FBIS Transcribed Text] Yala—Governors of the three southernmost provinces should be on high alert because of further sabotage moves in the area, according to Interior deputy permanent secretary Wisut Singkhachonworakun.

Wisut, director of the Southernmost Provinces Administrative Centre, sent an urgent memo to governors in Yala, Pattani and Narathiwat provinces urging them to strengthen security in the predominantly Muslim provinces which have been targets for sabotage in the past decade, according to a local source yesterday.

Police yesterday failed to apprehend Rutsadi Banniang at his home in Muang district after suspecting he might be responsible for planting a bomb in the provincial park last week, the source said.

The bomb was defused 10 minutes before it was to explode.

Interior Minister Maj-Gen Sanan Khachonprasat told deputy police chief Pol Gen [Police General] Pracha Phromnok to make a fact-finding trip to the South.

Security measures in the area would be strengthened but economic development should be the long-term solution to terrorism the minister said.

Vietnam

Commentary Reviews Relations With Poland

BK0902094595 Hanoi Voice of Vietnam in English 1000 GMT 8 Feb 95

[Station commentary]

[FBIS Transcribed Text] Vietnam and Poland maintained that over the past 45 years, friendship and cooperation of the two countries have been strengthened and tested by many difficulties. These ties have been increasingly developed and consolidated. Mr. Miroslaw Gajewski, Polish charge d'affaires in Vietnam, and Vietnamese Deputy Foreign Minister Nguyen Di Nien shared this view at the reception given by Mr. Miroslaw to mark the 45th anniversary of diplomatic relations between Poland and Vietnam.

Our editor reviews developments in bilateral relationship and cooperation:

Vietnam and Poland have a traditional age-old relationship. People of both countries have shouldered the burden of assisting each other in difficult historic times. Over the past 45 years, friendship between the two nations has increasingly strengthened in the interest of each nation. Last year a Vietnamese Government delegation led by Deputy Prime Minister Tran Duc Luong made an official visit to Poland, and earlier, in 1993, a Polish deputy minister for foreign affairs and a deputy minister for external economic relations visited Vietnam to explore potentials for bilateral cooperation. Both sides pledged to enhance cooperation, particularly trade ties. There is a high profile in bilateral cooperation in coal mining, sea transport, railway, machinery manufacturing, light industry, ship building, petroleum exploitation, and modernization of previous Polish used plants.

Two-way trade turnover for 1993 was nearly $100 million, and in 1994 the figure was considerably increased. Vietnam and Poland have recently signed a protocol on cooperation in education and training until 1996.

In is noteworthy that during his visit to Poland, Deputy Prime Minister Tran Duc Luong compared notes with Polish leaders on immediate and longterm cooperation in the areas of commerce, science, technology, culture, and training. The visit resulted in the signing of agreement as a legal status to accelerate bilateral cooperation. To encourage investors of both countries, the two have signed an agreement on investment encouragement and protection.

The relationship between Vietnam and Poland in particular and with other East European countries in general are developing in both scope and scale. Most importantly, they are proving to be more and more effective.

Foreign Minister Continues Visit to Australia

Received by Australian Leaders

BK0902021995 Hanoi VNA in English 1426 GMT 8 Feb 95

[FBIS Transcribed Text] Hanoi VNA Feb. 8—Australian Governor B. Haydon and Prime Minister [P.M.] Paul Keating received in Canberra on Feb. 7 Vietnamese Foreign Minister Nguyen Manh Cam who is there for a working visit as guest of Australian Foreign Minister Gareth Evans.

During the reception, Mr. Cam conveyed regards and invitation from President Le Duc Anh to Governor B. Haydon to visit Vietnam. The Australian leader expressed his thanks and pleasure to visit Vietnam in the first half of 1995. He also expressed his satisfaction at the fine development of the Vietnam-Australia friendship and cooperation in the past time. He said he hoped that the relationship would be constantly developed in the interests of the two peoples and for peace, stability and development in the world.

For his part, P.M. Keating highly valued achievements recorded by the Vietnamese people in their renovation process, in their implementation of the open-door, diversified and multi-sided foreign policy, and welcomed Vietnam to become a full member of ASEAN in 1995. He affirmed Australia's determination to further promote the cooperative ties with Vietnam, especially in the fields of post and telecommunications, energy, infrastructure construction irrigation, personnel training, processing industry and others.

Mr. Keating expressed his wish to invite General Secretary Do Muoi to pay an official visit to Australia in the coming time. The meetings took place in an atmosphere of friendship, cordiality and mutual understanding. Vietnamese Ambassador to Australia Nguyen Thanh Chau attended these events.

Welcomes Visit by Legislators

BK0902052795 Hanoi Voice of Vietnam in English 1000 GMT 8 Feb 95

[FBIS Transcribed Text] Vietnam's foreign minister says that Australian parliamentary delegation is welcome to visit Vietnam to discuss all issues, but only if both sides respect each other's sovereignty. Speaking in Canberra, Mr. Nguyen Manh Cam said that the center point of the delegation's visit would be to improve relations between the two countries.

Prime Minister Paul Keating and the Australian Government have supported (?in all of) Vietnam's participation in ASEAN with its membership in the APEC [Asia Pacific Economic Cooperation] as well.

Administrative Reform Memo Signed With Indonesia

BK0902021695 Hanoi VNA in English 1418 GMT 8 Feb 95

[FBIS Transcribed Text] Hanoi VNA Feb. 8—A memorandum of understandings on cooperation in administrative reform between Vietnam and Indonesia was signed here today.

Signatories were Pham Ngoc Tuong, cabinet minister and head of the organization and personnel committee of the government and Tiopan Bernhard Silalahi, Indonesian state minister for administrative reform.

The two sides informed each other of their country's socio-economic development, compared notes on and shared experience in the implementation of administrative reform work in each countries. They also reviewed their bilateral cooperation over the past two years, discussed their cooperative orientation in several fields, particularly in administrative reform in order to increase the effectiveness of state administration management, expand their cooperation to state management work at provincial and ministerial levels, cooperate on scientific research and personnel training in service of administrative reform in each countries.

Unemployment Among Former Soldiers Examined

BK0902052495 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 5 Jan 95 p 2

[Report by Khanh Binh]

[FBIS Translated Text] According to a recent survey, each year there are 4,000-5,000 more discharged soldiers in Ho Chi Minh City, and up to now 10,000 of them have been unemployed. To resolve this problem, in the 1994-95 two-year period, the Labor, War Invalids, and Social Welfare Office have jointly launched a program with the City Military Command to create jobs for these soldiers, members of the assault youth, and families who have rendered meritorious service to the revolution.

After one year of implementation, the program has provided jobs for and vocational training to almost 5,000 discharged soldiers. The city has also provided a 2-billion dong loan for these soldiers to carry out 400 small-scale projects. A sum of 500 million dong has been allotted from the city's youth vocational training fund to organize training courses for 900 discharged soldiers. Moreover, many districts and precincts have created favorable conditions for discharged soldiers facing problems to more easily find jobs and attend vocational training free of charge.

It can be said that the job creation program for discharged soldiers has made great progress compared with previous years. It is evident from their actions that many local party organizations and echelons of the administration have paid special attention to and showed a high sense of responsibility toward improving the daily life of these discharged soldiers.

However, resolving the unemployment problem for laborers in general and for discharged soldiers in particular is still a complicated and difficult task. At present, about 80 percent of discharged soldiers are jobless. This is because most of them have acquired an education level of no higher than level II, and are thus unable to meet the requirements of the city's employment market at present.

Realities have shown that only a minimal part of the effects of the unemployment problem in the city has been eased. The main parts at issue, namely, improving education, enhancing the skills of the workers, and providing vocational training for the laborers have not been tackled seriously. For this reason, most of the discharged soldiers have been introduced only to manual work, with an uncertain income. Moreover, due to the difficulties they face, they wish to work immediately after their discharge to get an income. As a result, to provide them with vocational education or professional skills training is not an easy task. In our discussions with Mr. Pham Van Tong, head of the job consultation office for youth in the 4th precinct, he said: "The 4th precinct now has 751 unemployed discharged soldiers, most of them with a low level of education or with no work skills at all. Recently, the city's youth vocational training fund and the 4th precinct People's Committee have provided 100 million dong for vocational training and job creation for these discharged soldiers. However, up to now our office has spent only 10 percent of this amount. We have organized vocational training courses for them, but only a few have wanted to attend long-term and high-level vocational training courses. This is the main obstacle to our task, because most of these soldiers want to quickly obtain jobs to earn a daily income."

In an exchange of views with Mr. Nguyen Tat Nam, director of the jobs consultation center for discharged soldiers, members of the assault youth, families who have rendered meritorious service to the revolution, and youth from poor families in the city, the former suggested: "To resolve this complicated and prolonged issue, the state should extend favorable treatment to these discharged soldiers while providing vocational training for them. Moreover, the city should guide and strengthen the responsibility of the local administration and mass organizations in providing jobs and vocational training for them. Efforts should be made to diversify the forms of education and training while providing vocational training free of charge for discharged soldiers facing problems, especially those in suburban areas."

Paying special attention to resolving the unemployment problem of the discharged soldiers is part of the implementation of our party and state policy on showing gratitude to those who have sacrificed for the nation. To resolve this issue, it is necessary to have the support of and contributions from society. For their part, and in order that they might integrate with the national development process, the discharged soldiers should strive to surge forward to improve their capability, acquire more knowledge, and enhance their professional skills so as to more easily find jobs and resolve the unemployment problem for themselves.

Building Local Self-Defense Forces Outlined

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[Article by Major General Tran Cong Thin, director of the Militia and Self-Defense Forces Department: "Building Ward-Level Self-Defense Forces in the New Situation—Some Basic Tasks"]

[FBIS Translated Text] Self-defense forces are a basic element of the masses' armed forces. During the past war as well as in the current period of national construction and defense, the self-defense forces in general and the ward-level self-defense forces in particular always play a very important role at the grassroots. To build ward-level self-defense forces that measure up to their requirements and tasks, we should fully understand and satisfactorily carry out *the following tasks*:

1. It is necessary to fully perceive the position and characteristics of the ward in the new situation in order to devote ourselves to building ward-level self-defense forces, linking this task with the building of comprehensively strong wards.

We all know that the ward is a basic-level administrative unit. The important position of the ward in particular and that of the grassroots in general have long been clearly defined. In the current national renovation undertaking along the line of industrialization and modernization, the number of wards is increasing steadily, their population density is growing higher and higher, and more and more central, local, and grassroots economic, cultural, and social establishments are being built and ceaselessly developed in wards. The socialist-oriented, multisector commodity-based economy has flourished, generating jobs for laborers, constantly improving the material and spiritual life of the working people of all strata, quickly changing the face of the cities and town, and creating new favorable conditions for building wards that are strong in all respects—economic, cultural, social, national defense, and security. However, we should also realize that building the ward at present has new characteristics, imposes new requirements, and causes new difficulties. Nowadays, imperialism and hostile forces have been actively carrying out their "peaceful evolution" scheme to foment rebellion and subversion against our country, with wards, especially city wards and those in major urban centers, being the main target on which enemy opposition and sabotage activities are focused. This is a major difficulty and challenge for the ward. In addition, owing to the change of economic management mechanism, the new economic management mechanism—which has taken shape and begun to operate only recently and which is still faced with many difficulties and complexities—has significantly affected the ward. Rapid, uncontrollable urbanization has also upset the balance of the infrastructure. Besides the positive aspects, there have inevitably been inherent contradictions, negative practices, and social evils. Therefore, in building and developing the ward we should closely combine economy with national defense, national defense with security, and firm maintenance of political stability with economic, cultural, social, and national-defense and security building and development. We should also combine building with the struggle against the enemies of all stripes at home and abroad, in particular the struggle to frustrate the enemies' "peaceful evolution" scheme and acts and their efforts to cause rebellion and subversion, and to overcome other situations caused by the enemies. At the same time, we must effectively struggle against all kinds of criminal offenses and social evils taking place in the ward.

At present, all wards have people's public security forces and civil defense-security organizations. But, according to the functions of these forces and the party's concept of the masses' armed organizations, the people's public security forces and civil defense-security forces can never replace each other. Clearly defining the functions and duties of these grassroots forces will enhance the political reliability and efficiency of each force. Moreover, this will enable us to gradually overcome the misconception and misuse of self-defense forces, a shortcoming that may lead to violations of the established principles. For this reason, building comprehensively strong wards must be closely linked with building ward-level self-defense forces, which are one of the main forces defending the party, the administration, and the people, and contributing to firmly maintaining political stability in the ward. The crux of the problem is how to ensure that the ward-level self-defense forces, acting in coordination with the public security forces, are strong enough to fulfill their tasks in peacetime, while standing ready to coordinate with the local and main forces to defeat all enemy air and sea raids, and so forth, to defend the party, the homeland, and the people. At the same time, the ward-level self-defense forces must serve as the activist force to help the people fight against aggressors at the grassroots, and must simultaneously fight, produce, and stand ready to serve and replenish the regular army. Self-defense forces are the masses' armed forces; therefore, the building of self-defense forces must be carried out on the basis of consolidating and building party organizations, the administration, and the mass organizations, and must be closely linked with various movements and drives of the ward. Only in this way can ward-level self-defense forces be strengthened and meet the requirements of their tasks. At present, in some localities, party committee echelons and the administration are directing the integration of the self-defense forces and the civil defense-security forces. This is a new organizational method chosen and tested by localities; this method should be studied in order to gain experience.

2. When building ward-level self-defense forces we must thoroughly understand and satisfactorily implement the "broad-based and steady" motto and attach special importance to key, vital areas and wherever self-defense forces are thinly spread and weak.

The guidelines adopted by the National Ward-Level Self-Defense Forces Conference, held in July 1994, clearly pointed out that we must satisfactorily implement the "broad-based and steady" motto when building ward-level self-defense forces and must leave no areas without self-defense forces. All the 868 wards throughout the country must have self-defense forces. In large, populous wards, and in city quarters and streets, there must be self-defense forces teams or larger units.

At present, ward-level self-defense personnel throughout the country (including self-defense forces of state organs and enterprises in wards) have substantially decreased. In 1993, Military Region IV achieved the nation's highest percentage of self-defense forces, which was 2.1 percent of the local population, while Military Regions I, V, and IX achieved 1.3 percent and Military Region VII achieved 0.8 percent. It is necessary to slash self-defense forces quantitatively in order to improve them qualitatively. But it is grievously wrong to reduce self-defense personnel below the authorized level or to drastically decrease self-defense forces quantitatively without improving them qualitatively, as some localities have done, making them incapable of meeting the requirements of their tasks. Therefore, in building ward-level self-defense forces we should resolve the relationship between quantity and quality. At present, it is rational to maintain the percentage of self-defense personnel at about 1 percent of the population; later on, we should gradually increase this percentage depending on the situation. Of course, this is only and average, general ratio that cannot be mechanically applied to all kinds of wards. Each ward must base itself on its specific conditions to determine an appropriate percentage for itself, but such a percentage should not be less than 0.5 percent. At present, not a few wards still have a percentage below 0.5 percent, and some even have a percentage of only 0.18 percent. These wards should quickly consolidate and gradually increase the number of self-defense force members as required.

Concerning quality, first of all we should attach special importance to political quality and must ensure that all self-defense forces members, in particular the mobile forces and self-defense forces of important wards, are highly reliable politically. We should gradually increase the number of party members, youth union members, and demobilized soldiers in ward-level self-defense forces. At present, the average percentage of party members in self-defense forces is only 6.73 percent, with the north achieving 10 percent and the south claiming from 2.05 percent to 4.8 percent. Party members account for 96.6 percent of the number of commanders of ward-level military commands; 62.7 percent of these party members are party committee members and 63.4 percent are those who have received three years or more of basic and work training. This is a heartening result that was achieved only recently after ward-level self-defense forces had been consolidated several times. However, the goal to strive for in the period ahead is that 100 percent of ward-level military command chiefs must be party and party committee members.

In building self-defense forces, the requirement is that we must devote ourselves to developing them in all wards in accordance with the "broad-based" motto; but, at the same time, we must focus on and attach special importance to key, vital areas and areas where self-defense forces are thinly spread and weak. Important wards should build both stationary and mobile forces composed of infantry and necessary armed branches; their forces must be sufficient in number and of high quality. Concerning those wards in which self-defense forces are thinly spread and weak, measures should be taken to ensure guidance and supplies, in particular operating funds, in order to gradually increase both the quantity and quality of self-defense forces, thereby enabling them to fulfill their tasks.

3. It is necessary to base ourselves on specific conditions to determine appropriate organization, staffing, and scale; it is imperative that each ward be equipped with both stationary and mobile forces.

At present, there are big differences in the building and organization of ward-level self-defense forces throughout the country, with the north differing from the south and even localities in the same region differing from each other. This existence of many different ways of doing things is normal, considering the great variety of wards and their particular nature and characteristics. The question is whether the organization, staffing, and scale of their self-defense forces are suitable, whether these factors can help create favorable conditions for self-defense forces to operate, and whether they can ensure that ward-level self-defense forces are capable of fulfilling both their immediate and basic, long-term tasks.

The guidelines laid down by the Ministry of National Defense require that a common model of organization, staffing, and scale should not be rigidly imposed on all wards. On the contrary, the ministry encourages all wards, precincts (or towns), and cities to adopt creative ways of doing things that are consistent with the specific conditions of each ward, provided these ways can help create favorable conditions for self-defense forces to operate effectively and ensure that they can fulfill both immediate and long-term tasks in various wartime situations.

It is imperative that all wards organize mobile and stationary self-defense forces. The organizational scale of each kind of force depends on the specific capability and conditions of each ward. Surveys and studies have shown that *platoon- and company-sized units are popular organizational scale at the ward level.* City wards and townships may organized independent squads. Cells and squads of stationary self-defense forces should be built in city streets and quarters and in large, populous wards. Stationary self-defense forces personnel must be carefully selected; a rational percentage of these forces must take turns being on duty round the clock, ready to move out to perform unscheduled duties in their localities. We should avoid using the administrative personnel of the ward people's committee as a mobile self-defense force, because if something happened this force would be busy with its specialized duties and would not be able to move out to cope with the situation. Stationary self-defense forces should be compact and closely linked with population groups and city resident cells to ensure that self-defense forces are present wherever there are people. In addition to devoting themselves to these two forces, all wards should consolidate and build armed-branch forces and specialized teams and units with suitable elements and on an appropriate scale in accordance with the combat and defense plans of districts, cities, and municipalities. They should attach special importance to building secret armed self-defense forces, people's military intelligence units, and forces specializing in using infantry weapons against low-flying aircraft.

Concerning the ward military command, at present, in the southern provinces, especially in Ho Chi Minh City, this organization commonly comprises a "quartet" (a commander, a deputy commander, a statistician, and a ward party committee secretary cum political officer); some wards even boast a "quintet." Meanwhile, in the north, the overwhelming majority of ward military commands are composed only of a commander, who is supposed to serve full-time but often holds several other positions concurrently or works on contract. Most of the northern ward military commands virtually lack a deputy commander who, when available, is supposed to work part-time. In some localities, the ward people's committee chairman also serves as a military commander. In many wards of Hanoi Municipality, military commanders still have to hold other positions concurrently, and a fairly large number of them are retired Army cadres or cadres who have retired for health reasons and who now work on contract. This state of affairs should be overcome at an early date. Ward military commands should be consolidated organizationally in accordance with Council of Minister Decree 29/HDBT, that is, each must have a full-time commander, a deputy commander who may hold other positions concurrently, and a party committee secretary cum political officer. However, a larger staff may be organized; but, for the sake of consistency, this must depend on the actual requirements of tasks and the capability of each ward and must have the approval of the upper-level party committees, administration, and military commands.

4. We should renovate and improve the quality of education and training to practically support the tasks of wards; at the same time we must adopt a policy to provide adequate and timely compensation in order to encourage self-defense forces to work actively.

Surveys conducted at 50 of the 868 wards in the entire country have shown that the training of ward-level self-defense forces is really worrisome. Only 60 percent or 70 percent of self-defense forces units have conducted training, and only 40 percent—or only 28 percent in some places—of self-defense personnel have taken part in training. Most of the ward-level self-defense units have trained their mobile forces only; very few stationary self-defense units have undergone training, and when they trained, they did it only perfunctorily. This is not to mention the fact that the quality of training is still low, and that training programs, contents, and methods have not yet been renovated.

In the period ahead, we must really attach special importance to educating and training ward-level self-defense forces and satisfactorily implementing the "basic, practical, steady" motto. First of all, we should strive to ensure that 100 percent of self-defense units will conduct training and that the number of troops undergoing training and training schedules will be exactly as stipulated by the Regulations on Self-Defense Forces. It is even better if those localities that can strive to increase training time to ensure the quality of training.

An extremely important matter is that we must renovate training programs, contents, and methods, and must attach special importance to practice in order to give practical support to the self-defense forces' regular tasks, namely "participate in maintaining political security and public order and safety" and oppose "peaceful evolution," rebellion, and subversion in wards. At the same time, we should pay due attention to supporting the self-defense forces' basic, long-term tasks. With regard to the contents of training, we should attach special importance to both military training and political education. We should pay attention to technical and tactical training; training in city fighting; training in the methods of defending positions and retaking lost positions; training in coordinating with the public security and various political forces to effectively prevent and cope with enemy "peaceful evolution," rebellious, and subversive schemes and activities. Ward-level self-defense forces should also be trained in martial arts and equipped with a knowledge of legal procedures and essential elements of mass motivation work... in order to achieve good results in their regular activities.

Budgets and compensation policies regarding self-defense personnel, especially those who give up production work in order to participate in military or training activities, or the policy of commending and awarding veteran self-defense forces cadres and person credited with outstanding achievements, are an extremely important matter because they have direct bearing on the existence and activities of war-level self-defense forces. They also are a much-debated issue to which we should pay due attention. It must be said that in the conditions of the recent change of economic management mechanism and despite numerous difficulties, many precincts (or towns) and municipalities have made great efforts in creatively applying various circulars jointly issued by the Ministries of Finance and National Defense (Circulars 598, 02, and 16) to procure funds necessary for the existence and operations of their ward-level self-defense forces. Most of the wards have set up funds drawing on their budgets and the contributions by the people and various factories, enterprises, and economic establishments located in their localities. Statistics have shown that the wards in Military Region IV have established funds worth from 5 million to 16 million dong each; in Danang City, from 7 million to 30 million dong each; and in Ho Chi Minh City, from 30 million to 40 million dong each. Some particular wards such as Thoi Binh Ward of Can Tho City boast a fund of 48 million dong. In addition to setting up funds, some localities have actively created jobs for self-defense personnel, thereby helping increase their family income. Nowadays, in nearly all wards, self-defense personnel participating in their units' activities are paid from 5,000 to 20,000 dong each per day, depending on the conditions and resources of each locality. Some wards and precincts (or towns), in particular those in the south, have laid down unified regulations on establishing funds and using national defense and security funds to create favorable conditions for ward-level self-defense forces to operate.

The initiative and active efforts of the party committee echelons and administrations of various wards, precincts (or towns), and cities in creating national defense and security funds and implementing compensation policies regarding ward-level self-defense forces are extremely important. In recent years, the state and various ministries and sectors concerned have promulgated numerous legal documents, policies, and systems to give preferential treatment to militia and self-defense forces in general and ward-level self-defense forces in particular. However, since the situation is changing constantly, these documents should be supplemented and revised accordingly to adequately protect the interests of ward-level self-defense forces, thereby encouraging them to operate actively.

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